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TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 2—APPOINTMENT THROUGH THE COMPETITIVE SYSTEM

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

PART 25—FEDERAL EMPLOYEES' PAY REGULATIONS

MISCELLANEOUS AMENDMENTS

1. Effective July 1, 1948, § 2.114 (f) is amended to read as follows:

§ 2.114 *Temporary appointment.*

(f) *Within-grade salary advancements.* Persons serving under temporary appointment pending establishment of a register and emergency-indefinite appointment in positions within the scope of the compensation schedules of the Classification Act of 1923, as amended, shall receive periodic within-grade salary advancements and additional within-grade salary advancements as rewards for superior accomplishment in accordance with Subpart B and Subpart E of Part 25 of this chapter, respectively, in the same manner, and to the same extent, as if they were subject to the salary advancement act of August 1, 1941, as amended.

(R. S. 1753, sec. 2, 22 Stat. 403; 5 U. S. C. 631)

2. Under authority of § 6.1 (a) of Executive Order 9830, and at the request of the Federal Security Agency, the Commission has determined that the positions listed below should be excepted from the competitive service. Effective upon publication in the FEDERAL REGISTER, § 6.4 (a) (19) is amended by the addition of a subdivision as follows:

§ 6.4 *Lists of positions excepted from the competitive service—(a) Schedule A.*

(19) *Federal Security Agency.* . . .

(xv) *Public Health Service.* Subprofessional and Crafts, Protective and Custodial positions in the field service of the Communicable Disease Activities when filled on a temporary or seasonal basis for not to exceed 150 working days in any one calendar year.

(Sec. 6.1 (a) E. O. 9830, 12 F. R. 1259)

3. The following note is inserted immediately following § 25.201, to be effective July 1, 1948.

NOTE: By virtue of § 2.114 (f) of Part 2 of this chapter, persons serving under temporary appointment pending establishment of a register and emergency-indefinite appointment are entitled to receive periodic within-grade salary advancements in accordance with this subpart in the same manner as persons who occupy permanent positions as defined in § 25.221.

4. The following note is inserted immediately following § 25.501 to be effective July 1, 1948.

NOTE: By virtue of § 2.114 (f) of Part 2 of this chapter, persons serving under temporary appointment pending establishment of a register and emergency-indefinite appointment are entitled to receive additional within-grade salary advancements as rewards for superior accomplishment in accordance with this subpart in the same manner as persons who occupy permanent positions as defined in § 25.502 (b).

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] H. B. MITCHELL,
President.

[F. R. Doc. 48-4766; Filed, May 27, 1948;
8:51 a. m.]

PART 24—FORMAL EDUCATION REQUIREMENTS FOR APPOINTMENT TO CERTAIN SCIENTIFIC, TECHNICAL, AND PROFESSIONAL POSITIONS

MISCELLANEOUS AMENDMENTS

1. The headnote of § 24.50 is amended to read as follows: "Forest Ecologist, P-432-2-5 (positions involving highly technical or fundamental scientific research or similar difficult scientific duties)."

2. The headnote of § 24.51 is amended to read as follows: "Forest Pathologist, P-482-2-5 (positions involving highly technical or fundamental scientific research or similar difficult scientific duties)."

3. The headnote of § 24.52 is amended to read as follows: "Forest Products Technologist, P-1390-2-6 (positions involving highly technical or fundamental scientific research or similar difficult scientific duties)."

4. The headnote of § 24.53 is amended to read as follows: "Forest Soils Tech-

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FEDERAL REGISTER

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nologist, P-491 and P-1384-2-5 (positions involving highly technical or fundamental scientific research or similar difficult scientific duties)."

5. The headnote of § 24.54 is amended to read as follows: "Forester (Forest Management), P-438-2-6 (positions involving highly technical or fundamental scientific research or similar difficult scientific duties)."

6. The headnote of § 24.55 is amended to read as follows: "Range Ecologist, P-452-2-5 (positions involving highly technical or fundamental scientific re-

search or similar difficult scientific duties)."

7. The headnote of § 24.56 is amended to read as follows: "Silviculturist, P-494-2-5 (Positions involving highly technical or fundamental scientific research or similar difficult scientific duties)."

(Sec. 5, 58 Stat. 388; 5 U. S. C. 854)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] H. B. MITCHELL,
President.

[F. R. Doc. 48-4767; Filed, May 27, 1948;
8:51 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Supp. 5]

PART 61—SCHEDULED AIR CARRIER RULES TRAINING PROGRAM

Acting pursuant to authority appearing in § 61.535 of the Civil Air Regulations (14 CFR, 61.535), which provides that a pilot training and instruction program satisfactory to the Administrator shall be maintained by the air carrier, the following specifications are hereby adopted. These specifications are issued without delay in order to promote safety of the flying public. The notice, procedures, and effective date requirements contained in section 4 of the Administrative Procedure Act (60 Stat. 237, 238; 5 U. S. C. 1001, 1003) do not apply since compliance with them would be impracticable, unnecessary, and contrary to the public interest.

§ 61.535 Training program. * * *

CAA SPECIFICATIONS

1. *Ground training.* The ground phase of the air carrier's pilot training and instruction program must include (1) a study of the Civil Air Regulations applicable to scheduled air carrier (domestic) operations, and of the provisions of the air carrier's operating certificate, placing emphasis on knowledge of those sections of Part 61 pertaining to the operation of transport category aircraft, and on the methods and principles of determining weight limitations for landings and take-offs; (2) a study of the company's operations manual and dispatch procedures; (3) training in the duties and responsibilities of flight crew members; (4) thorough familiarization with the aircraft to be flown, including a thorough study of the aircraft, engines, all major component systems, operation of cabin pressurization and oxygen systems, and standard operating procedures; a study of Civil Aeronautics Administration approved Airplane Flight Manual and familiarity with its contents; (5) the study of navigation; use of radio aids to navigation and such refresher courses necessary to keep pilots current in the application of any new developments; (6) a study of meteorology sufficient to maintain a practical knowledge of the principles of icing, fog, thunderstorms, frontal systems, etc., and the best methods of operating under these various conditions.

2. *Flight training.* The flight phase of the training program shall be so planned as to insure adequate initial qualification of the pilot on the make and model aircraft he is to fly in scheduled operations. It shall also provide for continued maintenance of a high standard of pilot proficiency. This training must include (1) take-offs and landings under varying conditions of load, wind,

etc.; (2) flight with one or more engines inoperative, including flight with any one engine fully throttled and at maximum authorized load either at the one engine inoperative service ceiling or at an altitude equivalent to 1,000 feet above the highest part of the terrain on the proposed instrument course or route to be flown by the pilot in scheduled operation; (3) operating under normal and maximum limits of power, speed, etc.; (4) conduct of instrument flight under simulated condition, including navigation by low frequency radio range, very high frequency visual-aural range, omni-directional range, automatic direction finder, etc., letting-down-through procedures utilizing radio range, ADF, ILS, GCA, etc., whichever of the navigation and letting-down-through procedures are used by the air carrier in the course of its normal operation.

3. *Emergency procedures.* A satisfactory pilot training program shall place special emphasis on instruction in emergency procedures. This shall include the procedures to be followed in the event of engine failure, fire in the air or on the ground, evacuation of passengers, location and operation of all emergency equipment, power settings for maximum endurance and maximum range, etc.

4. *General.* The purpose of a pilot training program is to assure that the pilots are thoroughly trained and proficient in the aircraft, equipment, techniques and procedures to be used by them in scheduled air transportation. The effectiveness of pilot training programs will be evaluated by the Civil Aeronautics Administration on the basis of pilot proficiency.

(Secs. 205, 601, 52 Stat. 984, 1007; 49 U. S. C. 425, 551; Reorg. Plan No. IV of 1940, 5 F. R. 2421)

These specifications shall become effective upon publication in the FEDERAL REGISTER.

F. B. LEE,

Administrator of Civil Aeronautics.

[F. R. Doc. 48-4752; Filed, May 27, 1948;
8:46 a. m.]

Chapter II—Civil Aeronautics Administration

[Amdt. 2]

PART 650—ORGANIZATION OF CIVIL AERONAUTICS ADMINISTRATION

MISCELLANEOUS AMENDMENTS

Pursuant to authority appearing in: (1) Section 205 of the Civil Aeronautics Act of 1938, as amended (52 Stat. 973, 984; 54 Stat. 1231-1236; 49 U. S. C. 401, 425), empowering the Administrator to issue and amend such orders, and to make and amend such general or special rules, regulations, and procedure as are deemed necessary to carry out the provisions of the act, and to exercise and perform his powers and duties under it, (2) section 301 of the Civil Aeronautics Act of 1938, as amended (52 Stat. 973, 985; 54 Stat. 1231-1236; 49 U. S. C. 401, 451), empowering and directing the Administrator to encourage and foster the development of civil aeronautics and air commerce in the United States and abroad, (3) section 306 of the Civil Aeronautics Act of 1938, as amended (52 Stat. 973, 986; 54 Stat. 1231-1236; 49 U. S. C. 401, 456), empowering and directing the Administrator to collect and disseminate information relative to civil aeronautics, (4) section 308 of the Civil Aeronautics

Act of 1938, as amended (52 Stat. 973, 986; 54 Stat. 1231-1236; 49 U. S. C. 401, 458), directing the Administrator to exercise and perform the powers and duties vested in and imposed upon him by the act, (5) an act (R. S. 161; 5 U. S. C. 22), authorizing the head of each Department to prescribe regulations for the government of his Department and the performance of its business, (6) section 5, Part 1, Department Order No. 63, effective February 11, 1947, issued by the Secretary of Commerce prescribing procedure with respect to organization and function statements; and in accordance with section 3 (a) of the Administrative Procedure Act (60 Stat. 237, 238; 5 U. S. C. 1001, 1002), requiring every agency to state separately and publish currently in the FEDERAL REGISTER descriptions of its central and field organization; Part 650 is hereby amended as follows:

1. Section 650.14 is amended by changing the title and first sentence to read:

§ 650.14 *Office of Aviation Safety.* The Office of Aviation Safety shall be under the direction of the Assistant Administrator for Aviation Safety. * * *

2. Section 650.14 (a) is amended by changing the title to read:

(a) *Aircraft service.* * * *

3. Section 650.14 (d) is amended by changing the title to read:

(d) *Medical service.* * * *

4. Section 650.14 (d) (1) is amended by substituting "Medical Service" for "Aviation Medical Service."

5. Section 650.52 (h) is amended by changing the title to read:

(h) *Aircraft Branch.* * * *

(R. S. 161, 52 Stat. 973, 984-986, 54 Stat. 1231-1236; 5 U. S. C. 22, 49 U. S. C. 401, 425, 452, 456, 458)

This amendment shall become effective June 1, 1948.

F. B. LEE,

Acting Administrator
of Civil Aeronautics.

Approved:

CHARLES SAWYER,
Secretary of Commerce.

[F. R. Doc. 48-4751; Filed, May 27, 1948;
8:46 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 10—INSURANCE

REINSTATEMENT IN MONTH FOLLOWING DATE OF LAPSE

1. In Part 10, § 10.3082 is amended to read as follows:

§ 10.3082 *Reinstatement in the month following the date of lapse.* Where a premium on United States Government Life Insurance is not paid within the grace period, but is tendered not more than 15 days after the date of expiration of the grace period, such premium may be regularly applied as premium for the unpaid month, provided the insured at the time of tendering the delayed pre-

mium is in as good health as he was on the due date of the premium in default and furnishes a statement to that effect not more than 31 days after the date such delayed premium was tendered. (Secs. 5, 300, 301, 43 Stat. 608, 624, secs. 1, 2, 46 Stat. 1016; 38 U. S. C. 11, 11a, 426, 511, 512, 707)

2. In Part 10, a new section, § 10.3425, is added as follows:

§ 10.3425 *Reinstatement in the month following the date of lapse.* Where a premium on National Service Life Insurance is not paid within the grace period but is tendered not more than 15 days after the date of expiration of the grace period, such premium may be regularly applied as premium for the unpaid month, provided the insured at the time of tendering the delayed premium is in as good health as he was on the due date of the premium in default and furnishes a statement to that effect not more than 31 days after the date such delayed premium was tendered. (Secs. 601-618, 54 Stat. 1008-1014, secs. 1-16, 60 Stat. 781-789; 38 U. S. C. 512d, 801-818)

[SEAL] O. W. CLARK,
Executive Assistant Administrator.

[F. R. Doc. 48-4763; Filed, May 27, 1948;
8:47 a. m.]

PART 20—GUARDIANSHIP AND LEGAL ADMINISTRATION

MISCELLANEOUS AMENDMENTS

1. In Part 20, § 20.5021 is amended to read as follows:

§ 20.5021 *Duties of chief attorney, regional office or center.* The duties of the chief attorney, regional office or center, will be as follows:

(a) *Guardianship services.* (1) As specified in regulations, determine and certify legality of appointment of guardians or other fiduciaries. In all cases within the jurisdictional limitations of §§ 20.5200 to 20.5217, to investigate and determine whether, under the law of the State, the person having custody of the claimant is legally vested with the care of the claimant or his estate within the meaning of section 21 of the World War Veterans' Act, 1924, as amended, or section 313 of the World War Adjusted Compensation Act, as amended, and prepare the certification required by §§ 20.5200 to 20.5217. Maintain a complete cross-reference index of all Veterans' Administration issues and all issued legal precedents affecting the operation of the Veterans' Administration. Responsible for all legal and guardianship activities and such other activities as are comprehended herein. Cooperate with all services to the end that minor and mentally incompetent claimants receive all benefits to which they may be entitled under the laws administered by the Veterans' Administration; and that the interests of minor and mentally incompetent beneficiaries, receiving benefits through fiduciaries properly appointed or constituted, will be safeguarded. Supervise the activities of such

fiduciaries in the administration of their trust, see that bonds are furnished in appropriate amounts and with satisfactory sureties, secure certified copies of accounts rendered to the court, check all such accounts, and bring to the attention of the appointing court all cases wherein such fiduciary is found to be delinquent in any such matters or otherwise unsuitable. Secure accountings to the Veterans' Administration where accounts are waived by the court or not required annually under the State law, and at such other times as may be deemed necessary. Secure accounts from all custodians and check same as to accuracy and with regard to appropriate expenditures of wards' funds.

(2) Survey the social and economic conditions of all minor or incompetent beneficiaries of the Veterans' Administration within his regional territory. Cooperate with the courts in the commitment of incompetent beneficiaries and appointment of guardians for minor or incompetent beneficiaries, or when authorized, to secure appointment of such guardians. Cooperate with chief attorneys of other offices in all cases wherein mutual aid and collaboration are essential. This refers to cases wherein the beneficiary is in one regional territory and the guardian, or appointing court, in another. Represent the Administrator in any action taken under section 21 (2), World War Veterans' Act, 1924, as amended (38 U. S. C. 450), where satisfactory adjustment cannot be otherwise obtained; notify the appropriate service or division of central office or branch office or division or unit of regional office to stop payment of any and all running awards therein, giving full reasons for such action. Cooperate with the chief medical officer to insure that no action will be taken that will be detrimental to a beneficiary, and that such beneficiary is not deprived of any rights other than by due process of law. If any beneficiary has been wrongfully committed, or has a guardian who was illegally appointed, or if a beneficiary duly adjudged incompetent is restored to sanity, to take such action as may be necessary and practical to have such beneficiary discharged and guardian removed, and may give advice and aid to the beneficiary in having himself adjudged sane, or sanity legally restored. Cooperate with the manager of hospital or chief medical officer with regard to commitment of patients and discharge of committed patients and to cooperate with such Veterans' Administration officers and State authorities in cases where such beneficiaries elope from hospitals. Keep a record of all action taken in each guardianship case handled, a record of accounts, and such other records as will enable him to supply the data necessary for the monthly, quarterly, and semi-annual reports. His files and records will be kept in such order that they will be available at all times for checking by the field supervisor. Cooperate with all interested welfare agencies and secure their interest and cooperation in carrying out the Veterans' Administration's policy respecting minors and incompetents. Present to the State or

local bar association, welfare organizations, or State legislature, suggestions relative to legislation or other matters.

(b) *Field examinations.* Is responsible for all field examinations (investigations) specified in § 20.5050 and such others as may be assigned.

(c) *Legal services.* (1) Representative of the solicitor, and thereby legal advisor to the manager of the office to which assigned and other field stations of the Veterans' Administration located within the area allocated to that office.

(2) Cooperate with the United States attorneys in civil and criminal actions arising under the laws administered by the Veterans' Administration.

(3) Pass upon all contracts or leases referred to him by the manager. Pass upon requests for information on matters contained in Veterans' Administration files as provided in existing instructions and be completely responsible for action in connection with subpoenas for production of Veterans' Administration records in court. Make such examination as may be needed in connection with cases wherein violation of Federal penal statutes is suspected and collaborate with the United States attorneys in the prosecution of such cases.

(4) Advise and take action as required or authorized in cases involving loans guaranteed or insured by the United States pursuant to Public Law 346, 78th Congress, as amended (38 U. S. C. 694j). Is attorney for the Administrator of Veterans' Affairs for all purposes of section 509, Title III, of that act, and, as such, is authorized to represent the Administrator in any legal action or other legal matter under said title subject to statutes and Executive orders concerning claims of the United States.

2. In § 20.5201, paragraphs (a) and (b) are amended to read as follows:

§ 20.5201 *Form of notification.* * * *

(a) Section 21 (4) of the World War Veterans' Act, 1924, as amended, repeals the act of August 8, 1882 (22 Stat. 373; U. S. C. Title 38, section 44), and provides that in case of any incompetent veteran having no guardian, payment of compensation, pension, or retirement pay may be made, in the discretion of the Administrator, to the wife of such veteran for the use of the veteran and his dependents.

(b) In cases coming within section 21 (4) of the World War Veterans' Act, 1924, as amended, the director, veterans claim service, central office, or adjudication officer, field station, will notify the chief attorney of the office having jurisdiction over the territory in which the veteran resides furnishing information as to the name and address of the veteran and his wife, the amount of the initial payment, and monthly payments to be made. The chief attorney will investigate each case to determine whether the wife is properly qualified to administer the funds payable, whether she will agree to use the funds for the benefit of the veteran and his dependents, and whether all conditions justify payment of the compensation, pension, or retirement pay to the veteran's wife; or whether, in the best interests of the veteran and his dependents, a guardian

should be appointed to receive and administer the funds payable. If the chief attorney determines that payments shall be made to the wife, a complete report will be forwarded to the director, veterans claims service or adjudication officer, field station, accompanied by the evidence disclosing the facts, with a recommendation that payments be made to the wife. If the chief attorney determines that the facts justify the appointment of a guardian, he will take action promptly to effect the appointment and will forward the evidence thereof, together with his certification as to the legality of the appointment and adequacy of bond, to the director, veterans' claims service or adjudication officer, field station. For the purpose of determining whether the funds paid to the wife are being applied as intended and whether the payments should continue to the wife, or whether in the interests of the veteran and his dependents action should be taken to have a guardian appointed, or whether the veteran has recovered and should be rerated as to competency, a social survey will be accomplished each year. The case will be diaried for this purpose on the Account Due Card, VA Form 2-3526. A record of these cases will be maintained on the Locator Index, VA Form 2-3525, filed alphabetically. A correspondence file on each case will be maintained.

3. Section 20.5365 is amended to read as follows:

§ 20.5365 *Authority of chief attorney to appear in State courts for the Administrator.* The chief attorney is authorized to appear in State courts as attorney for the Administrator of Veterans' Affairs in any case comprehended by section 21 of the World War Veterans' Act, as amended (38 U. S. C. 450), and in compliance with the provisions thereof.

4. New sections, §§ 20.5500, 20.5501, 20.5502, 20.5503, 20.5504, 20.5505, 20.5514, 20.5543, 20.5545, 20.5560, 20.5561, 20.5563, 20.5600, 20.5602, 20.5603, 20.5604, 20.5605, 20.5606, 20.5608, 20.5609, 20.5610, and 20.5621, are added to Part 20 to read as follows:

LEGAL SERVICES

§ 20.5500 *Request for opinions.* Requests for opinions construing Federal statutes and regulations will be made only by the Administrator, an assistant administrator, or the person acting for him. (See § 20.5504.) Request for an opinion on domestic relations questions will, in the field be addressed by the adjudication officer; chief vocational rehabilitation and education division; the director, claims service; or the director, vocational rehabilitation and education service; to the appropriate chief attorney, branch office. (See § 20.5502.) In central office such submissions will be made by the director, veterans claims service, or director, dependents and beneficiaries claims service, to the solicitor.

§ 20.5501 *Submissions.* All submissions will set forth the question upon which an opinion is desired together with a detailed and accurate statement of facts. Except as to cases involving domestic relations matters and submissions

forwarded by the Administrator or the executive assistant administrator, files, correspondence, and other papers will not be transmitted. The Assistant Administrator or other comparable official will be held responsible for the accuracy and completeness of the submission.

§ 20.5502 *Domestic relations questions.* (a) The chief attorney, branch office, may render an opinion on the following domestic relations questions:

(1) Where the issue is whether there has been a valid marriage under the common law and the evidence shows there was no impediment as to either party.

(2) Where the issue is whether there has been a valid marriage and there was an impediment as to only one of the parties with continued cohabitation after the removal of the impediment.

(3) Legitimacy of children when the issue is determinable under similar conditions.

(4) The claimant, any interested party, or the office submitting the question shall have the right to request review by the solicitor of any legal opinion of a chief attorney, branch office, on any of the foregoing matters.

(b) In all other domestic relations submissions, the chief attorney, branch office, will, after a determination has been made that the facts have been fully developed, forward the submission and the file to central office for an opinion. Any case wherein the rights of contesting claimants require a legal opinion, the question will be referred to the central office.

(c) The chief attorney, branch office, will forward copies of all opinions rendered on domestic relations questions to the central office where they will be routed to the solicitor.

§ 20.5503 *Precedents.* (a) Except as provided in §§ 20.5502 and 20.5621, all precedent opinions will emanate from the office of the solicitor. All opinions which formulate Veterans' Administration policy dependent upon construction of Federal Statutes and regulations require adoption by the Administrator before they are released or administrative action taken thereon. The foregoing does not apply to opinions of the solicitor concerning application of the statutes or regulations to specific factual situations. Such opinions, while not precedents in the sense of requiring adoption by the Administrator, are binding on all employees concerned.

(b) Administrator's Decisions, which are conclusive as to all persons, are available to the public in printed volumes purchasable from the Government Printing Office. These volumes may be inspected at any Veterans' Administration office. Recent Administrator's Decisions which have not been published in bound volumes are also available in such offices.

(c) Opinions of the solicitor in individual claims (compensation, pension, insurance loans, vocational rehabilitation, readjustment allowance, etc.) are available in the individual claims folders to those entitled to inspect such folders. (See § 1.525 of this chapter.) Opinions of the solicitor of a general nature (administration, fiscal, personnel, contracts,

etc.) which are digested and indexed are available in the office of the solicitor and are distributed to all chief attorneys. Opinions of the solicitor are not available for general distribution but in specific instances when, in the opinion of the solicitor, the public interest justifies or requires, copies may be supplied persons or agencies interested in the general subject covered by the opinion requested.

§ 20.5504 *Submissions from the field.* Requests from deputy administrators for legal opinions will be addressed to the central office. Upon receipt in the central office, such requests will be routed to the assistant administrator in charge of the activity in central office having jurisdiction of the subject matter. If in order, a submission will be made by such official to the solicitor, and the opinion will be forwarded to said official for his information and transmittal to the field. Chief attorneys, branch offices, may request technical assistance on any matter within their jurisdiction.

§ 20.5505 *Legal advice or assistance.* The deputy administrators or directors of services, and managers or chiefs of divisions may request legal advice or assistance from the chief attorney, branch office, or the chief attorney, regional office or center, respectively. Managers of hospitals and domiciliary activities of centers may request legal advice or assistance from the chief attorney, regional office, within whose area the institution is situated. Such advice or assistance may be given within the limitations prescribed herein, that is, the chief attorney, branch office, or the chief attorney, regional office or center, will confine his advice to established precedents and procedure. In central office, any official authorized by the head of the activity may consult informally with the solicitor or attorneys in the solicitor's office on any matter as to which he may require legal advice or guidance.

LITIGATION

§ 20.5514 *Suits against United States or Veterans' Administration officials.*

(a) When a suit is filed against the United States, or the Administrator involving any activities of the Veterans' Administration, except as provided in paragraph (b) of this section, or a suit is filed against any employee of the Veterans' Administration in which is involved any official action of the employee, a copy of the petition will be forwarded to the solicitor, Veterans' Administration, who will take necessary action to cooperate with the Department of Justice in connection with such litigation.

(b) In litigation involving loan guaranty activities, the regional or branch chief attorney is authorized to enter the appearance of the Administrator of Veterans' Affairs to "Actions for Debt and Foreclosure" or actions similar in substance (including "Title Actions"). This includes claims for debt, secured and unsecured, in bankruptcy, receivership, or probate proceedings. The entry of appearance will be by the regional chief attorney, without prior reference to the solicitor, or the branch chief attorney, normally within the time that an appearance would be required if there

were proper service of process. In all other types of cases, the regional chief attorney will not enter an appearance or file any pleading on behalf of the Administrator except in imperative emergency and, then, preserving all rights possible, until authorization is received from the branch chief attorney or the solicitor after submission of all relevant facts. Generally, in the excepted cases, the branch chief attorney may authorize the regional chief attorney to enter an appearance except that the branch chief attorney will not authorize an appearance in any case in which the relief sought apparently would result in the Administrator being subjected to personal liability or to injunction, mandamus or otherwise, or to mandamus or other writ or order that would, or might interfere with his exercise of the functions and the discretion required by Federal legislation or Executive order. In such excepted cases, or in any doubtful cases, the branch chief attorney, or if urgency requires, the regional chief attorney, will request instructions from the solicitor submitting copy of so much of the pleadings or other papers together with a sufficient recital of the facts as will make clear the background, the issues, and the relief sought. The submission also will include names and addresses of adverse parties and attorneys so that immediate action may be taken if injunctive relief seems proper. Where necessary in any case to preserve rights which might be lost by default if there had been proper service of process, appropriate action will be taken by a special appearance, or in jurisdictions where a special appearance does not serve the purpose, or under State statute or decisions will constitute a general appearance for a later date, by an appearance through amicus curiae to obtain an extension of time, preferably 30 days or more, in which to appear and plead without prejudice. If not feasible to obtain an extension, the chief attorney will explain to adverse counsel by letter—and personally, if desirable—the necessity of deferring all action and will see that the proper judge receives a signed copy of the letter before default day. The letter will point out that there is no valid service of process on the Administrator of Veterans' Affairs but will not base the delay on that alone.

(c) Except in an emergency, no attorney for the Veterans' Administration will initiate appellate court action without prior approval of the solicitor or the branch chief attorney. (If the branch chief attorney conducts the litigation, authorization to seek appellate review will be secured from the solicitor.) This limitation does not preclude filing a motion for new trial, giving notice of appeal, reserving bills of exception, or other preliminary action to protect the right to obtain review, or taking proper action as appellee (respondent), without prior reference to the branch chief attorney or the solicitor. Except when time limit prevents, the regional chief attorney will make his recommendations to the branch chief attorney (in duplicate) as to seeking appellate review of any adverse judgment or other action. If time limit requires,

the original recommendation may be made directly to the solicitor and a carbon copy forwarded to the branch chief attorney. Except for action required in an emergency (e. g., time limit, etc.), the branch chief attorney will not act on cases referred directly to the solicitor until receipt of information from the solicitor.

(d) The recommendation for review will be limited to cases that ought to be won, except in a few instances in which it may be important to obtain an early authoritative settlement of a law question even if adverse to Veterans' Administration views. The letter recommending appellate review will include: A summary of law points to be reviewed; citation of applicable statutes and cases, including the pertinent local cases; special reasons for recommending appellate action; statement as to the requirements for printing the record and briefs; any applicable time limitation for action; estimated expense incident to the appeal. The letter will also state whether the loan guaranty official desires or does not desire appellate review or does not desire to make any recommendation in respect thereto. Except where the branch chief attorney conducts the litigation, he is authorized to disapprove, without prior reference to the solicitor, any recommendation for appellate review. In any such case he is also authorized to approve recommendation and authorize review if the estimate of costs, including printing, does not exceed \$300, irrespective of result. If he approves a recommendation to seek appellate review, he may also approve proper expenditures for costs incident thereto, including printing. If the regional and branch chief attorneys recommend appellate review where estimated costs, including printing, will exceed \$300, prior approval of the solicitor is necessary.

§ 20.5543 *Cases affecting Veterans' Administration generally.* Chief attorneys will establish and maintain such close liaison with the State and Federal courts as to insure that notice will be afforded the Veterans' Administration on all cases affecting the Veterans' Administration. Such information will be forwarded to the solicitor promptly in every case.

§ 20.5545 *Habeas corpus writs.* Any manager, or other employee at a field station of the Veterans' Administration who is served with writ of habeas corpus concerning any beneficiary of the Veterans' Administration in his custody or with any other legal process involving his official actions, in addition to taking such steps as, in his judgment, are necessary to protect himself, will immediately notify the chief attorney of the region in which he is situated, who shall promptly forward to the solicitor through the branch chief attorney, full and complete information with respect to the suit, supplementing the same with further information as to the litigation progress.

PROSECUTION

§ 20.5560 *Procedure where violation of penal statutes is involved.* (a) The actual submission to the appropriate United States attorney of a violation or

suspected violation of the penal provisions of the statutes of the United States will be made by the chief attorney, regional office or center, within whose jurisdiction the offense is believed to have been committed. Where the file or record which contains evidence of a penal offense is located in central office, the matter will be referred to the solicitor for development and reference to the proper chief attorney. Where the file or record is maintained in a branch office, same will be referred to the chief attorney, branch office, for development and determination as to whether prosecution is indicated and reference to the proper chief attorney of the regional office or center. The files or records in a regional office or in any other office of the Veterans' Administration will be referred to the chief attorney of the regional office or center having jurisdiction over such office, for development, determination, and submission to the United States attorney if in order.

(b) In all instances where there is evidence or indication of a violation of the penal provisions of the statutes, the case will be fully and carefully developed, supplemental investigations being made if necessary. If a prima facie case is disclosed, the matter must be submitted to the appropriate United States attorney. The Department of Justice is charged with the duty and responsibility of interpreting and enforcing criminal statutes, and the final determination as to whether the evidence is sufficient to warrant prosecution in any case is a matter for that Department. The function of any administrative official is to marshal all available evidence and when the evidence is sufficient to make a prima facie case of a violation of the statutes to transmit the same to the United States Attorney for such action as the Department of Justice, acting through the United States attorney, may deem necessary. If the United States attorney decides to prosecute, the chief attorney will cooperate with him.

§ 20.5561 *Administrative action prior to submission.* Before a submission is made to the United States attorney, the solicitor, where the file is in central office, the chief attorney, branch office, where the file is in a branch office, and the chief attorney, regional office or center, where the file is in the regional office, will see that necessary administrative or adjudicatory (forfeiture, etc.) action has been taken. In cases involving prosecution under Title III (38 U. S. C. 693) and V (38 U. S. C. 694) Servicemen's Readjustment Act, and in urgent cases such as breaches of the peace, disorderly conduct, trespass, robbery, or where the evidence may be lost by delay or prosecution barred by the statute of limitations, submission to the United States attorney may be made immediately.

§ 20.5563 *Collections or adjustments.* When it is determined that a submission is to be made to the United States attorney, no collection or adjustment will be made without his advice. However, if, pending the submission, or even subsequent thereto pursuant to a prior demand the potential defendant or other person should forward or tender payment

same may be accepted. If the United States attorney determines that prosecution is not indicated or when prosecution has ended, the file will be returned to the appropriate office with a report as to the action taken at which time necessary adjustments will be made.

TORTS

§ 20.5600 Liability. (a) The United States is not liable for wrongs inflicted by its officers or employees occurring while engaged in official duties except in accordance with specific legislation imposing such liability. The act of August 2, 1946 (Federal Tort Claims Act, Title IV, Public Law 601, Chapter 753, 2d session, 79th Congress), 60 Stat. 812; U. S. C., Title 28, sections 921 through 946, prescribes a uniform procedure for handling of claims against the United States, for money only, accruing on and after January 1, 1945, on account of damages to, or loss of, property or on account of injury or death caused by the negligence or wrongful act or omission of any employee of the Government while acting within the scope of his employment. Part 2 of the act relates to the administrative determination and settlement of such claims "where the total amount of the claim does not exceed \$1,000" Parts 3 and 4 provide for the presentation of a claim for a sum not exceeding \$1,000 to the Federal agency out of whose activity it arises or the filing of a suit against the United States for any amount in a Federal court. The claim or suit must be filed within 1 year from the date the claim accrues or within 1 year of the passage of the act. Part 4 further provides that as to a claim not exceeding \$1,000 presented to a Federal agency suit may be brought after final administrative disposition of the claim and that the time to institute suit shall be extended for a period of 6 months from the date of mailing of notice to the claimant by such Federal agency advising of the disposition of the claim or from the date of its withdrawal, if the time for filing suit would otherwise expire before the end of such period.

(b) In part 4 of the act there is specifically enumerated the types of claims for which the Government is not liable under this law.

§ 20.5602 Collisions. (a) A report of any collision involving a Veterans' Administration vehicle which results in damage to private property or injury or death to a person will be made immediately by the driver of the Veterans' Administration vehicle on Standard Form 26, Driver's Report—Accident, Motor Transportation. This form, together with Standard Form 27, Investigating Officer's Report—Accident, Motor Transportation, will be forwarded to the chief attorney of the appropriate branch office by the chief attorney, regional office, as soon as a complete investigation of the accident has been made.

(b) All drivers of Government motor vehicles and employees concerned with investigation and report of accidents and claims will be furnished with Standard Form 26 and 27 and will comply strictly with instructions contained therein.

§ 20.5603 Damage or loss due to other causes. Any occurrence resulting in damage to, or loss of, property or in personal injury or death due apparently or allegedly to the negligence or wrongful act or omission of an employee of the Government acting within the scope of his office or employment, coming to the attention of the deputy administrator or manager of any station, will be referred promptly to the appropriate chief attorney for complete investigation and report.

§ 20.5604 Investigation. An employee will be designated at each activity to investigate occurrences involving damage to, or loss of, privately-owned property or injury or death apparently or allegedly resulting from the negligence of an employee of the Veterans' Administration. At a branch office or regional office, this employee will be designated by the chief attorney; at all other stations, the employee to make such investigations will be designated by the manager. Where possible, the employee designated as the investigating officer will be one who has had some experience in the investigation of accident or casualty cases. In cases involving substantial damage or serious personal injury and in cases wherein a claim in an amount less than \$1,000 is submitted, the complete file, including the investigation report and summaries and citations of applicable local laws, regulations, and decisions, will be forwarded to the chief attorney, branch office, by the chief attorney, regional office. If the claim presented is in excess of \$1,000, the chief attorney, regional office, will notify the claimant that the Veterans' Administration is without jurisdiction to consider the claim since, under the Federal Tort Claims Act (Title IV, Public Law 601, 79th Congress; U. S. C., Title 28, sections 921 through 946) jurisdiction is limited to claims "where the total amount of the claim does not exceed \$1,000."

§ 20.5605 Report. The chief attorney, branch office, will review all the evidence and prepare a concise, complete report, including a summary of the evidence, his findings of the essential ultimate facts, citations of applicable local laws, regulations and decisions, and his conclusion of law as to the liability or nonliability of the United States.

§ 20.5606 Determination of liability. (a) When the chief attorney, branch office, determines that there is no liability on the part of the United States, he will promptly notify the claimant of the disallowance of the claim, explaining the reasons therefor, and advise the claimant of the right to appeal to the solicitor within 60 days and of the right afforded by the act to file suit. In the event appeal is not made to the solicitor within 60 days, the date of expiration of said period will be considered as the date of final administrative disposition of the claim for the purpose of the statute of limitations provided in section 420 of the act.

(b) In cases wherein the chief attorney, branch office, determines liability on the part of the United States under the act, and cases of appeal from an adverse

decision by the chief attorney, branch office, the report required by § 20.5605, will be transmitted, along with a statement regarding a fair and reasonable amount for reimbursement, to central office, attention: The solicitor. The solicitor will review said report and make the final administrative determination regarding allowance of the claim. If the claim is disallowed, the solicitor will notify the claimant accordingly and advise of the right afforded by the act to file suit.

(c) If suit is instituted, the navigation report and all other evidence in the case will be made available to the Department of Justice, and the local chief attorney will cooperate as may be requested by the United States Attorney.

(d) In any cases administratively settled, the solicitor will approve the attorney fee, if any, to be paid out of the award. Any member of the bar in good standing and who represents the claimant shall be recognized in presenting claims under the Federal Tort Claims Act.

§ 20.5608 Damage to or loss of Government property. Where damage to or loss of Government property under the jurisdiction of the Veterans' Administration results from the negligence of a person other than an employee of the United States acting within the scope of his employment, investigation will be made as provided in § 20.5602 if the loss or damage results from collision or as provided in § 20.5603 if the loss or damage is due to other causes. The chief attorney, branch office, or chief attorney, regional office, if so directed, will request payment of the amount or damage from the person liable therefor. If the chief attorney is unable to secure voluntary payment of the claim, a report similar to that provided in § 20.5605, together with a statement as to why payment is denied, will be transmitted to central office, attention: The solicitor.

§ 20.5609 Damage to or loss of patients' property. The authorization for payment of damage to or loss of personal property of hospitalized patients caused by the negligence of an officer or employee of the Government contained in the act of December 28, 1922 (42 Stat. 1066; 31 U. S. C., sec. 215) is repealed by the act of August 8, 1946, supra, and claims for such losses are for settlement under the Tort Claims Act. The procedure for the development of such claims will be that set forth in Veterans' Administration Medical Procedure.

§ 20.5610 Damage or loss caused by fire. Section 31, World War Veterans' Act, 1924, as amended (44 Stat. 792; 38 U. S. C. 458), providing for the reimbursement of beneficiaries hospitalized or who have been hospitalized in Veterans' Administration hospitals for any loss of personal effects sustained by fire while such effects are or were stored in designated locations in Veterans' Administration hospitals, is not repealed. The procedure for handling this class of claims is governed by the provisions of §§ 25.6075, 25.6076, and 25.6077 of this chapter.

§ 20.5621 Authority of solicitor and chief attorneys. The solicitor and each chief attorney is the attorney of the Ad-

ministrator of Veterans' Affairs for all purposes of section 509, Title III, Servicemen's Readjustment Act, as amended (38 U. S. C. 694j), and as such is authorized to represent the Administrator in any court action, or other legal matter, under said title, subject to statutes and Executive orders concerning claims of the United States. Each chief attorney is authorized to contract for the employment of attorneys on a fee basis for conducting any action arising under guaranty or insurance of loans, or for examination and other proper services with respect to title to and liens on real and personal property, when such employment is deemed by him to be appropriate. (8, 59 Stat. 626; 38 U. S. C. 694)

(Sec. 5, 43 Stat. 608, secs. 1, 2, 46 Stat. 991, 1016, sec. 7, 48 Stat. 9, sec. 1, 49 Stat. 607; 38 U. S. C. 2, 11, 11a, 426, 707, 450)

[SEAL] O. W. CLARK,
Executive Assistant Administrator.

[F. R. Doc. 48-4764; Filed, May 27, 1948;
8:48 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 18—POSTAL SAVINGS SYSTEM

INTEREST

In § 18.9 *Interest* (39 CFR, 1946 Supp., 18.9), make the following change:
Amend Note B to read as follows:

NOTE B: The maximum yearly interest rate payable on savings deposits by banks and trust companies and savings banks in the State of New Jersey was reduced to 1 percent effective July 1, 1939; and, accordingly, as required by the provisions of paragraph (a) (2) of this section, the yearly rate on postal-savings deposits in that State was reduced as of the same date from 2 percent to 1 percent. The maximum yearly interest rate payable on savings deposits by banks, trust companies, and savings banks in New Jersey was increased from 1 to 1½ percent effective July 1, 1946; and the yearly rate on postal-savings deposits in that State was increased as of the same date from 1 to 1½ percent. The limit on the maximum rate of interest payable on savings deposits in New Jersey was removed May 16, 1947; and, accordingly, the 2 percent interest rate on postal-savings deposits in that State was resumed as of May 17, 1947.

(Sec. 7, 36 Stat. 816, sec. 1, 39 Stat. 159, sec. 12, 40 Stat. 754, 49 Stat. 721; 39 U. S. C. 757, 758)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 48-4753; Filed, May 27, 1948;
8:46 a. m.]

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE, AND INSTRUCTIONS FOR MAILING

JAPAN; PRINTED MATTER

In § 127.284 *Japan* (13 F. R. 997, 2044), make the following change:
Amend paragraph (a) (4) (iv) to read as follows:

(iv) Effective May 1, 1948, civilian mail service to Japan will be extended to

permit the mailing to that country of books, magazines, and all other printed matter, subject to postage rates and other conditions applicable to Postal Union printed matter detailed in § 127.6.

(R. S. 161, 396, 398, secs. 304, 309, 42 Stat. 24, 25, 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 48-4754; Filed, May 27, 1948;
8:46 a. m.]

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE, AND INSTRUCTIONS FOR MAILING

FRENCH INDO-CHINA; AIR MAIL

In § 127.257 *French Indo-China* (13 F. R. 977), make the following change:
Amend paragraph (a) (3) to read as follows:

(3) *Air mail service.* Postage rate 25 cents one-half ounce. Articles may not exceed 4 pounds 6 ounces in weight. (See § 127.20.)

(R. S. 161, 396, 398, secs. 304, 309, 42 Stat. 24, 25, 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL] J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 48-4755; Filed, May 27, 1948;
8:46 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

UNITED STATES GOVERNMENT TELEGRAPH COMMUNICATIONS

ORDER FIXING RATES

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 19th day of May 1948;

The Commission, having under consideration its order of January 30, 1948, In the Matter of Charges For United States Government Telegraph Communications, concerning rates and charges for United States Government telegraph communications transmitted by any carrier or carriers subject to the terms of a permit or license granted by the President of the United States giving the Postmaster General authority to fix such rates and charges, which authority was transferred to the Commission by section 601 (b) of the Communications Act of 1934, as amended;

It appearing, that under the terms of the aforementioned order of January 30, 1948, the rates and charges therein established will not continue beyond June 30, 1948, and that it is therefore necessary that the Commission establish rates and charges for such service to be collected after said date;

It further appearing, that the Commission requested the United States Government and the various carriers en-

gaged in international telegraph communications to offer suggestions as to the contents of an order establishing such rates and charges after June 30, 1948, and that the United States Government and certain carriers suggested no changes in connection with the aforementioned order of January 30, 1948, while certain other carriers suggested that the discount on United States Government telegrams be eliminated and that the order provide instead that the rates for United States Government telegrams should not exceed the rates for telegrams of foreign governments;

It further appearing, that the Commission has considered the foregoing suggestions;

It further appearing, that the discount on United States Government telegrams provided for in the aforementioned order of January 30, 1948, should not be affected at this time for the reason that any such action should await international agreement on the subject;

It further appearing, that the ordering provisions set forth below continue, in all pertinent particulars, the ordering provisions as to rates and charges contained in the aforementioned order of January 30, 1948;

It further appearing, that in view of the aforementioned comments and the consideration thereof, further proceedings herein are unnecessary;

It is ordered, Pursuant to the provisions of the permits or licenses referred to above, and to section 601 (b) of the Communications Act of 1934, as amended:

1. That the rates and charges for telegraph communications between the several departments of the Government and their officers, relating exclusively to the public business between points in the United States and points in possessions of the United States, between points in different possessions, and between points in the United States including such possessions and points in foreign countries and ships at sea, transmitted by any carrier or carriers subject to the terms of a permit or license granted by the President of the United States giving the Postmaster General authority to fix rates for Government communications by telegraph (such a carrier being hereinafter called a domestic carrier) shall, between all points embraced within the scope of such permit or license, not exceed fifty (50) per centum of the full ordinary charges applicable to commercial communications of the same length and between the same points, except that charges for Government code messages shall not exceed fifty (50) per centum of the charges for like commercial code messages, subject to the following: (a) in cases where Government messages are transmitted between any of such points in part over the facilities of any domestic carrier and in part over the facilities of any other carrier, or administration (hereinafter called a foreign carrier), the charges for Government communications shall not exceed the amounts derived by applying the percentages specified herein to the full portion of the commercial charges accruing to the domestic car-

riers, plus the charges actually made for United States Government communications by foreign carriers; (b) the charges for Government ordinary messages between the following named points, shall be:

Per word

Between Fisherman's Point, Guantanamo Bay, Cuba, and Canal Zone.... \$0.09

and the charges for Government code messages between the foregoing points shall be 60 per centum of the charges above specified for Government ordinary messages; and (c) with respect to Government messages to and from ships at sea the percentages specified shall not apply to the coastal station and ship station charges.

2. That if any new service shall be established, a supplementary order may be issued fixing the Government charge for such service.

3. That in no case shall the charge for a Government message to which this order applies exceed the charge for a corresponding commercial message; nor shall the portion of the through charges accruing to the domestic carriers for United States Government communications exceed the portion accruing to such carriers for like communications of any foreign government between the same points.

4. That in cases where the charge for a Government message, as determined herein, shall include a fraction of a cent, such fraction, if less than one-half, shall be disregarded, if one-half or more, it shall be counted as one cent; except that the charge for Government code messages shall be rounded up to the next higher half cent, if the fraction be less than one-half and to a full cent, if the fraction be more than one-half.

5. That every Government message to which this order applies shall have priority over all other messages of the same classification, and every Government ordinary message and code message shall also have priority over all other messages regardless of the classification; and every Government message shall, unless otherwise provided herein, be subject to the classifications, practices and regulations applicable to the corresponding commercial communications.

6. That every domestic carrier which is subject to the Communications Act of 1934, shall immediately file with this Commission all schedules of charges applicable to Government communications established pursuant to this order, said schedules to be filed in full compliance with the requirements of section 203 of the Communications Act of 1934, and with Part 61 of the Commission's rules and regulations (Title 47—Telecommunications—Chapter I), to be constructed in such manner and form that the full charges for all Government messages from origins to destinations can be exactly and readily ascertained therefrom and to name effective dates as of July 1, next ensuing: *Provided, however,* That in cases where charges in excess of those herein prescribed are collected because of conditions over which domestic carriers have no control such charges shall be shown in the schedules but the excess

shall be refunded to the United States Government.

7. That in every case where any schedule containing charges applicable to commercial messages shall be changed, or the charges made by any foreign carrier shall be changed, the schedule containing the charges applicable to Government messages shall be correspondingly changed, effective on the same date.

8. That nothing herein contained shall apply to charges fixed by agreement between any department of the United States Government and the companies performing the service if such agreement be authorized in any statute of the United States.

9. That nothing herein contained shall be construed to give Government messages priority over radio communications or signals which are given a higher priority under section 321 (b) of the Communications Act of 1934, as amended; or under the provisions of any Convention or any regulations annexed thereto to which the United States may be bound.

This order shall become effective on the first day of July 1948 and shall continue in effect until June 30, 1949, both dates inclusive, unless changed by order of the Commission.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4768; Filed, May 27, 1948;
9:01 a. m.]

PART 1—ORGANIZATION, PRACTICE AND PROCEDURE

PART 31—UNIFORM SYSTEM OF ACCOUNTS, CLASS A AND CLASS B TELEPHONE COM- PANIES

PART 32—UNITS OF PROPERTY, CLASS A AND CLASS B TELEPHONE COMPANIES

PART 33—UNIFORM SYSTEM OF ACCOUNTS, CLASS C TELEPHONE COMPANIES

MISCELLANEOUS AMENDMENTS

In the matter of amendments to Parts 1, 31, and 33 and the redesignation of Part 32 of the Commission's rules and regulations.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 12th day of May 1948;

The Commission having under consideration proposals to redesignate Part 32 as an appropriate section of Part 31; to make various editorial changes in Part 31; to add additional interpretations to "Appendix A" of Part 31; and to codify the requirements of Commission Order No. 60; and

It appearing, that the incorporation of Part 32 as an appropriate section in Part 31 and the proposed editorial changes do not constitute substantive changes in, and do not in any way affect the requirements of, any of the Commission's rules and regulations; that the additions to "Appendix A" of Part 31 are interpretations of Commission accounting regulations; and that the codification of the requirements of Commission Order

No. 60 does not in any way affect or change the requirements presently contained in said order, or any of the Commission's rules and regulations; and

It further appearing, that the nature of the proposed changes are such as to render unnecessary the notice and procedure provided for in section 4 of the Administrative Procedure Act;

It is ordered, That Part 31 and appendices thereto, as amended, be printed in the FEDERAL REGISTER.

It is further ordered, That effective immediately, the Commission's rules and regulations are amended in the following respects:

1. Section 1.529 is amended by deleting the opening words "Commission Order No. 60 contains" and by substituting the words "Section 31.100:4 (c) (1) and § 33.1200 (c) (1) contain".

2. Part 32 is incorporated in Part 31 as § 31.8.

3. In Part 33 § 33.1200 (c) is amended to read as follows:

(c) The amounts recorded in this account with respect to each property acquisition shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows:

(1) Debit amounts may be charged to surplus in whole or in part, or amortized over a reasonable period through charges to account 7100, "Other miscellaneous deductions from income," without further direction or approval by this Commission. Should a carrier desire the disposition of debit amounts in any manner other than as herein provided, it shall request that the Commission (i) approve recommended disposition or (ii) direct appropriate disposition according to the circumstances involved in each transaction.

(2) Credit amounts shall be disposed of in such manner as this Commission may approve or direct.

NOTE A: Disposition as herein provided is for accounting purposes only and shall not be construed as determining or controlling the amount or disposition of the items in a rate or other proceeding nor shall anything contained in paragraph (c) of this section be construed as precluding the Commission from subsequently requiring disposition of such amounts through charges to surplus or from altering a previously determined amortization period.

NOTE B: When these matters involve a carrier subject to both Federal and State regulation, the cooperative procedure heretofore agreed to between Federal and State Commissions shall be invoked. (See FCC Rules and Regulations, Part 1, Appendix No. 2.)

4. Part 31, as amended, is reprinted in its entirety as set forth below.

It is further ordered, That, effective immediately, Commission Order No. 60¹ is revoked.

Adopted: May 12, 1948.

Released: May 14, 1948.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

¹ Not filed with the Division of the Federal Register.

RULES AND REGULATIONS

PART 31—UNIFORM SYSTEM OF ACCOUNTS,
CLASS A AND CLASS B TELEPHONE COM-
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¹ §§ 31.608, 31.609 follow § 31.612 in order to permit the grouping together of all maintenance expense accounts without changing long-established account numbers.

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CLEARING ACCOUNTS

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APPENDIX A: Telephone, Accounting Bulletin No. 1, Interpretations of the Accounting Requirements Contained in the Uniform System of Accounts for Telephone Companies (Classes A, B, and C).

APPENDIX B: Standard Practices for the Establishment and Maintenance of Continuing Property Records by Telephone Companies Having Average Annual Operating Revenues in Excess of \$2,000,000.

AUTHORITY: §§ 31.01-1 to 31.8, inclusive, issued under sec. 220 (a), 48 Stat. 1078; 47 U. S. C. 220 (a).

NOTE: In §§ 31.01-1 through 31.1-18, 31.2-20 through 31.2-26, 31.3-30, and 31.3-31, 31.4-40, 31.5-50 through 31.5-52, 31.6-60 through 31.6-64, and 31.7-70, the numbers to the right of the dash (except that instructions 16.1 and 22.1 are herein designated §§ 31.1-16A and 31.2-22B, respectively) correspond with the respective instruction numbers in Uniform System of Accounts for (Class A and Class B) Telephone Companies, Federal Communications Commission, effective January 1, 1937 (Orders 7-C, 7-D). In §§ 31.100:1 through 31.181, 31.201 through 31.277, 31.300 through 31.343, 31.400 through 31.416, 31.500 through 31.530, 31.602:1 through 31.677, 31.702 through 31.707, the numbers to the right of the decimal point correspond with the account numbers in Uniform System of Accounts for (Class A and Class B) Telephone Companies, Federal Communications Commission, effective January 1, 1937 (Orders 7-C, 7-D). Cross references to accounts are made by citing the account numbers, e. g., account 323 instead of the corresponding section number (§ 31.323). The list of units of property, designated as Appendix A in Order 7-C is herein redesignated § 31.8, "List of retirement units."

GENERAL INSTRUCTIONS

§ 31.01-1 *Classification of companies.* (a) For the purpose of this system of accounts, telephone companies are divided into two classes as follows:

Class A. Companies having average annual operating revenues exceeding \$100,000.

Class B. Companies having average annual operating revenues exceeding \$50,000, but not more than \$100,000.

(b) Class A companies shall keep all the accounts of this system of accounts, which are applicable to their affairs.

(c) Class B companies shall keep all the accounts of this system of accounts, which are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the accounts of the condensed classification provided for herein. (See the tables preceding §§ 31.500, 31.602:1.

NOTE: In order that frequent changes may be avoided, companies operating established telephone plants shall adopt the scheme of accounts indicated by the average of their annual revenues for 3 years immediately preceding the effective date of this part. If at the close of any calendar year the average of the annual revenues for the 3 latest years is greater than the amount applicable to the class in which the company has been accounting, the higher scheme of accounts shall be adopted. New companies shall estimate the amount of their annual revenues and adopt the scheme of accounts appropriate for the amount of such estimated revenues.

§ 31.01-2 *Records.* (a) The company's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in these accounts. Where the full information is not recorded in the general books the entries therein shall be supported by other records in which the full details shall be shown and the general book entries shall contain sufficient reference to the detail records to permit ready identification. The detail records shall be filed in such manner as to be readily accessible for examination by representatives of this Commission.

(b) Attention is directed to the following extract from section 220 of the Communications Act of 1934 (48 Stat. 1078; 47 U. S. C. 220):

(e) Any person who shall willfully make any false entry in the accounts of any book of accounts or in any record or memoranda kept by any such carrier, or who shall willfully destroy, mutilate, alter, or by any other means or device falsify any such account, record, or memoranda, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than \$1,000 nor more than \$5,000 or imprisonment for a term of not less than one year nor more than three years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, or documents which may, after a reasonable time, be destroyed, and prescribing the length of time such books, papers, or documents shall be preserved.

CROSS REFERENCE: For regulations governing the periods for which records are to be retained, see Part 42 of this chapter.

(c) All charges to the accounts prescribed in this classification for telephone plant, income, operating revenues, and operating expenses shall be just and reasonable and any payments by the company in excess of such just and reasonable charges shall be included in account 323, "Miscellaneous income charges."

(d) Accounts which are clearly summaries of other accounts or subaccounts provided for herein are not required to be kept in the company's books. All accounts kept shall conform in numbers

and titles to those prescribed herein, except that:

(1) Companies may subdivide any of the accounts, provided such subdivisions do not impair the integrity of the accounts prescribed. The titles of all such subdivisions or subaccounts shall refer by number or title to the accounts of which they are subdivisions, and this Commission shall be notified of the nature and purpose of such subdivisions. When subaccounts are thus kept, it is not required that the main accounts of which they are subdivisions shall also be kept in the company's books.

(2) Clearing accounts, in addition to those prescribed herein, may be kept when necessary in making the proper distribution of items to the appropriate primary accounts: *Provided*, That within 30 days of the opening of such accounts, this Commission shall be notified of the nature and purpose thereof.

(3) Temporary or experimental accounts may be kept in addition to the accounts prescribed herein, for the purpose of developing the efficiency of operations, etc.: *Provided*, Such accounts do not impair the integrity of any accounts prescribed herein: *And provided further*, That within 30 days of the opening of such accounts, this Commission shall be notified of the nature and purpose thereof.

(e) As of the effective date of this system of accounts, the several accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the company. Copies of the journal entries recorded to effect these transfers shall be filed with this Commission. The company is authorized to make such subdivisions, reclassifications, or consolidations of such balances as are necessary to meet the requirements of this system of accounts.

(f) Nothing contained in this part shall prohibit or excuse any carrier or receiver or operating trustee of any carrier from subdividing the accounts hereby prescribed in the manner ordered by any State commission having jurisdiction or to the extent necessary to secure the information required in the prescribed reports to such commission.

§ 31.01-3 *Definitions*. When used in this system of accounts:

(a) "Accounts" or "these accounts" means the accounts of this system of accounts.

(b) "Actually issued," as applied to securities issued or assumed by the company, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchasers secured them free from all control by the issuing company, also securities issued as dividends on stock.

(c) "Actually outstanding," as applied to securities, means those which have been actually issued and are neither retired nor held by or for the company.

(d) "Affiliated companies" means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the accounting company.

(e) "Book amount," as applied to capital stock, means the par value of stock having a par value, and the amount duly authorized for inclusion in account 150, "Capital stock," for stock having no par value.

(f) "Book cost" means the amount at which property is recorded in these accounts, without deduction of related reserves.

(g) "Book liability" means the amount at which securities issued or assumed by the company and other liability items are recorded in these accounts.

(h) "Company" or "the company," when not otherwise indicated in the context, means the accounting company.

(i) "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract, or any other direct or indirect means.

(j) "Cost," except as applied to telephone plant, franchises, patent rights, and right-of-way, means the amount of money actually paid (or the current money value of any consideration other than money exchanged) for property or services. (Note also paragraph (x) of this section.)

(k) "Cost of removal" means the cost of demolishing, dismantling, removing, tearing down, or otherwise disposing of telephone plant and recovering the salvage, including the cost of transportation and handling incident thereto.

(l) "Debt expense" means all expenses in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen; fees, and expenses of listing on exchanges, and other like costs. (Note also § 31.1-13 (b).)

(m) "Depreciation," as applied to depreciable telephone plant, means the loss in service value (note paragraph (dd) of this section) not restored by current maintenance, incurred in connection with the consumption or prospective retirement of telephone plant in the course of service from causes which are known to be in current operation, against which the company is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

(n) "Discount," as applied to securities issued or assumed by the company, means the excess of the book or face amount (note paragraphs (e) and (o) of this section) of the securities plus interest or dividends accrued at the date of the sale over the current money value of the consideration received at their sale.

(o) "Face amount" means the amount or value of bonds, mortgages, and other evidences of debt set forth in the documents themselves.

(p) "Group plan," as applied to depreciation accounting, means the plan under which depreciation charges are accrued upon the basis of the original cost (note paragraph (x) of this section) of all property included in each depreciable plant account, using the average service life thereof properly weighted, and upon the retirement of any depreciable property its full service value is charged to the depreciation reserve whether or not the particular item has attained the average service life.

(q) "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and the debtor that they shall be settled by the issuance of capital stock or funded debt or shall not be subject to current cash settlement.

(r) "Minor items," as applied to depreciable telephone plant, means any part or element which is not designated as a retirement unit in § 31.8.

(s) "Miscellaneous physical property" means all physical property owned by the company, other than telephone property the investment in which is includible in accounts 100:1, "Telephone plant in service," 100:2, "Telephone plant under construction," 100:3, "Property held for future telephone use," and 100:4, "Telephone plant acquisition adjustment."

(t) "Net salvage value" means the salvage value (note paragraph (bb) of this section) of the property retired after deducting the cost of removal.

(u) "Nominally issued," as applied to securities, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale, or pledged or otherwise placed in some special fund of the company, but which have not been sold.

(v) "Nominally outstanding," as applied to securities, means those which after being actually issued have been reacquired by or for the company under such circumstances as require them to be considered as held alive and not retired.

(w) "Nonaffiliated companies" means all companies other than those defined as affiliated in paragraph (d) of this section.

(x) "Original cost" or "cost," as applied to telephone plant, franchises, patent rights, and right-of-way, means the actual money cost of (or the current money value of any consideration other than money exchanged for) property at the time when it was first dedicated to the public use, whether by the accounting company or by predecessors.

NOTE: For the application of this definition to property acquired from predecessors see § 31.2-21. (Note also paragraph (j) of this section.)

(y) "Plant retired" means plant which has been removed, sold, abandoned, destroyed, or otherwise withdrawn from telephone service.

(z) "Premium," as applied to securities issued or assumed by the company, means the excess of the current money value of the consideration received at their sale over the sum of their book or face amount (note paragraphs (e) and (o) of this section) and interest or dividends accrued at the date of the sale.

(aa) "Replacing" and "replacement," when not otherwise indicated in the context, mean the construction or installation of telephone plant in place of plant retired, together with the removal and recovery of the plant retired.

(bb) "Salvage value" means the amount received for property retired, if sold, or if retained for reuse, the amount at which the material recovered is chargeable to account 122, "Material and supplies."

(cc) "Service life" means the period between the time of installation (note paragraph (ii) of this section) of telephone plant and the time of its retirement.

(dd) "Service value" means the difference between the original cost and:

(1) The salvage value (note paragraph (bb) of this section) for station apparatus.

(2) The net salvage value (note paragraph (t) of this section) for other telephone plant.

(ee) "Stock expense," as applied to capital stock, means all expenses in connection with the issuance or sale of capital stock, such as fees and commissions (including the cash value of securities) paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including fees, commissions, and advertising; cost of obtaining governmental authority and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates in connection with both original and additional capital stock issues. (Note also § 31.1-13 (d)-(f).)

(ff) "Straight-line method," as applied to depreciation accounting, means the plan under which the service value (note paragraph (dd) of this section) of property is charged to operating expenses and to clearing accounts and credited to the depreciation reserve through equal annual charges as nearly as may be during its service life.

(gg) "Telephone operations" and "telephone service" means the service by common carriers of transmitting intelligence by wire or wireless primarily through the use of telephones, and services incidental or auxiliary to such service, such as private line, teletypewriter, telegraph, and telephotograph services.

(hh) "Telephone plant" means physical property used in telephone service.

(ii) "Time of installation" means the date at which telephone plant is placed in telephone service.

(jj) "Time of retirement" means the date at which telephone plant is retired from telephone service.

§ 31.01-4 *Unaudited items.* When the amount of any known item affecting these accounts cannot be accurately determined in time for inclusion in the accounts of the calendar year in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts. When the item is audited, the necessary adjustments shall be made through the accounts in which the estimate was recorded. If during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustments shall be made in the current accounts to cover such difference. The company is not required to anticipate minor items which would not appreciably affect these accounts.

§ 31.01-5 *Delayed items.* (a) The term "delayed items" means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenue, and operating expense accounts of prior years.

(b) If the amount of any delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort those accounts, the company shall distribute to earned surplus so much of the amount as affects the operations of prior years. The company shall file with this Commission the full particulars concerning each such item, including the accounts and years which would have been affected had the item not been delayed.

§ 31.01-6 *Spreading of income, revenue, and expense items.* When the amount of any unusual item includible in an income, operating revenue, or operating expense account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort those accounts, it may be included in account 139, "Other deferred charges," or account 174, "Other deferred credits," as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

§ 31.01-7 *Profits and losses from foreign exchange.* (a) Profits and losses from premiums and discounts on foreign exchange shall be included, so far as practicable, in the accounts appropriate for the transactions in connection with which such items arise. For example, profits realized and losses suffered due to the difference in rates of exchange between the date that money is borrowed or loaned and the date of payment or collection shall be included in account 402, "Miscellaneous credits to earned surplus," or account 413, "Miscellaneous debits to earned surplus," as may be appropriate.

(b) Minor amounts of profits and losses on foreign exchange arising in the course of the company's telephone operations and impracticable of allocation to each specific transaction involved shall be included in account 526, "Other operating revenues," or account 675, "Other expenses," as may be appropriate.

§ 31.01-8 *Interpretation of item lists.* Lists of "items" appearing in the texts of the several accounts are given for the purpose of clearly indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all the items includible in the several accounts but merely as representative of them. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

§ 31.01-9 *Submission of questions.*² To the end that uniformity of accounting may be maintained, the company shall submit all questions of doubtful interpretation of the prescribed accounting to this Commission for consideration and decision.

§ 31.09-9A *Sequence of accounts.* The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission.

INSTRUCTIONS FOR DEPRECIATION ACCOUNTING

§ 31.02-80 *Computation of depreciation rates.* (a) Depreciation charges shall be computed by applying the composite annual percentage rates considered applicable to the original cost (note § 31.01-3 (x)) of each class of depreciable telephone plant owned or used by the company. (Note also § 31.02-81 (b).) These percentage rates shall be based upon the estimated service values and service lives (note § 31.01-3 (dd), (cc)) developed by a study of the company's history and experience and such engineering and other information as may be available with respect to prospective future conditions. These percentage rates shall be computed in conformity with the group plan (note § 31.01-3 (p)) of accounting for depreciation and shall be such that the loss in service value of the property, except for losses excluded under the definition of depreciation (note § 31.01-3 (m)), may be distributed under the straight-line method (note § 31.01-3 (ff)) during the service life of the property. Such percentage rates shall not include any allowance for loss in service value of property expected to be installed in the future. The percentage rates shall, for each primary account comprised of more than one class of property, produce a charge to operating expenses for that account equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account.

(b) In the event any composite percentage rate becomes no longer applicable, revised composite percentage rates

² Questions and answers thereto with respect to this system of accounts are included in Telephone Accounting Bulletin No. 1. (See Appendix A.)

shall be computed in accordance with paragraph (a) of this section.

(c) The company shall keep such records of property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service-life indications by mortality, turn-over, or other appropriate methods, and also such records as will reflect the percentage of salvage value, or net salvage value, as appropriate, for property retired from each class of depreciable telephone plant.

§ 31.02-81 Depreciation charges. (a) Charges for currently accruing depreciation shall be made monthly to account 608, "Depreciation," and to clearing accounts, as appropriate, and corresponding credits shall be made to account 171, "Depreciation reserve." In computing the current monthly charges, one-twelfth of the composite annual percentage rate applicable to the primary accounts covering depreciable telephone plant shall be applied to the average of the balances, as of the first and last of the current month, in each such primary account.

(b) When the company is responsible under the terms of a lease for depreciation of property, used but not owned, for which the rent is chargeable to account 303, "Rent for lease of operating property," depreciation charges shall be made on the same basis as for owned depreciable property.

(c) A separate composite annual percentage rate for each account covering depreciable telephone plant shall be used in computing depreciation charges. Such composite rates shall be computed in accordance with § 31.02-80.

§ 31.02-82 Classes of depreciable telephone plant. The classes of depreciable telephone plant and the accounts covering such plant are as follows:

- Right of way (account 207).
- Buildings (account 212).
- Central office equipment (account 221).
- Station apparatus (account 231).
- Private branch exchanges (account 234).
- Booths and special fittings (account 235).
- Pole lines (account 241).
- Aerial cable (account 242:1).
- Underground cable (account 242:2).
- Buried cable (account 242:3).
- Submarine cable (account 242:4).
- Aerial wire (account 243).
- Underground conduit (account 244).
- Furniture and office equipment (account 261).
- Vehicles and other work equipment (account 264).

NOTE: When depreciable plant carried in account 276, "Telephone plant acquired," is distributed to the appropriate plant accounts, adjusting entries shall be made covering the depreciation charges applicable to such plant for the period during which it was carried in account 276.

§ 31.02-83 Plant retired for causes not factors in depreciation. The service value of depreciable telephone plant retired (note also § 31.2-25) shall be charged in its entirety to account 171, "Depreciation reserve." If the cause of retirement is not a recognized factor in depreciation (note § 31.01-3 (m)) and the loss is not covered by insurance, the company may, upon proof that the charge to the depreciation reserve will

result in undue depletion thereof, and with the approval of this Commission, credit account 171, "Depreciation reserve," and charge account 138, "Extraordinary maintenance and retirements," with the unprovided-for loss in service value and distribute it from that account to account 609, "Extraordinary retirements," over such period as this Commission may approve.

INSTRUCTIONS FOR BALANCE-SHEET ACCOUNTS

§ 31.1-10 Purpose of balance-sheet accounts. The balance-sheet accounts (100:1 to 181, inclusive) are designed to show the assets, liabilities, capital stock, and surplus or deficit of the company.

§ 31.1-11 Current assets. (a) In the group of accounts designated as current assets (accounts 113-123, inclusive) there shall not be included any item the book cost of which is not reasonably assured, except that items of current character but of doubtful value may be written down and for record purposes carried in these accounts at a nominal amount. If not thus written down, they shall be included in account 139, "Other deferred charges," at book cost or nominal amount, or written off, as may be appropriate, but they shall not be so included at book cost unless there is a reasonable prospect of future substantial value.

(b) The amount of any item written off shall be included in account 530, "Uncollectible operating revenues—Dr.," account 323, "Miscellaneous income charges," account 413, "Miscellaneous debits to earned surplus," or other appropriate account.

§ 31.1-12 Book cost of securities owned. (a) Securities issued by others shall be recorded in these accounts at the time of purchase at the current money value of the consideration given therefor by the company. (Note also paragraph (d) of account 313 and paragraph (b) of account 314.)

(b) The company is allowed the option of writing down such book cost in recognition of decline in the value of the securities. It shall write down to a nominal amount or write off if there is no reasonable prospect of future substantial value. The amount of such adjustment shall be debited to account 413, "Miscellaneous debits to earned surplus." The company shall maintain a complete record of the facts on which it bases such adjustment.

§ 31.1-13 Company securities owned. (a) The book or face amount (note § 31.01-3 (e), (o)) of nominally issued (note § 31.01-3 (u)) and nominally outstanding (note § 31.01-3 (v)) stocks and other securities issued or assumed by the company shall be shown in the short columns only of the balance-sheet statement of the company to this Commission. (Note also § 31.1-16a.)

(b) The necessary adjustments for the difference between (1) the face amount of bonds and other evidences of debt that have been reacquired and (2) the amounts actually paid for them plus the amounts of expenses incurred in connection with their reacquisition shall be included, when a debit, in account 413,

"Miscellaneous debits to earned surplus," and when a credit, in account 402, "Miscellaneous credits to earned surplus." In the case of refinancing, amounts that ordinarily would thus be charged or credited to earned surplus may be made subject to amortization upon approval by the Commission in the specific instance.

(c) The necessary adjustments for the difference between (1) the face amount of bonds and other evidences of debt that previously have been reacquired and are resold and (2) the amounts actually received for them less the amounts of expense incurred in connection with their resale shall be included when a debit in account 413, "Miscellaneous debits to earned surplus," and, when a credit, in account 402, "Miscellaneous credits to earned surplus."

(d) The necessary adjustments for the difference between (1) the book amount of capital stock that has been reacquired and (2) the amount actually paid for it plus the amounts of expense incurred in connection with its reacquisition shall be included in account 179, "Other capital surplus," except that the excess of a debit adjustment over the balance in account 179, applicable to capital stock of the same class, shall be charged to earned surplus: *And, provided further,* That a credit adjustment shall be included in earned surplus to the extent that any previous charges to earned surplus on account of transactions in the same class of stock have not been offset by previous credits to earned surplus on account of such transactions.

(e) The necessary adjustments for the difference between (1) the book amount of capital stock that previously has been reacquired and is resold, and (2) the amount actually received for it less the amounts of expense incurred in connection with its resale shall be included in account 179, "Other capital surplus," except that the excess of a debit adjustment over the balance in account 179, applicable to capital stock of the same class, shall be charged to earned surplus: *And provided further,* That a credit adjustment shall be credited to earned surplus to the extent that any previous charges to earned surplus on account of transactions in capital stock of the same class have not been offset by previous credits to earned surplus on account of such transactions.

(f) The company's records shall be so maintained that in reports to the Commission there may be shown the extent to which the surplus accounts have been charged and credited in connection with transactions in each class of capital stock.

NOTE: The book amount for nonpar stock reacquired shall be obtained by first ascertaining the amount in account 150, "Capital stock," for the particular class of stock before the reacquirement. In this amount shall be included the proceeds realized at the sale, the amount of any assessments against stockholders, the amounts transferred to account 150 from surplus, less any amount which has been distributed from account 150 to the stockholders in liquidation. The amount thus ascertained shall be prorated to the shares reacquired on the basis of the proportion that the reacquired shares bear to the total number of shares

actually outstanding immediately prior to their reacquirement. (Note also accounts 104, 105, 136, and 137.)

§ 31.1-14 *Discount and premium on capital stock.* (a) A separate discount and premium account shall be maintained to include both discounts suffered and premiums realized at the time of sale of each class and series of capital stock having a par value. (Note § 31.01-3 (n), (z).)

(b) In stating the balance sheet, the total of debit balances in these accounts having debit balances shall be reported under account 134.1, "Discount on capital stock," and the total of credit balances in these accounts having credit balances shall be reported under account 152, "Premium on capital stock." Accounts with debit balances shall not be offset by accounts with credit balances.

(c) General levies or assessments against stockholders shall be credited to the discount and premium account for the particular class and series of capital stock so assessed.

(d) Discounts, premiums, and assessments on capital stock shall be retained in the discount and premium account until the reacquirement of the securities to which they relate, or until otherwise disposed of lawfully.

(e) When capital stock which has been actually issued or assumed by the company is reacquired the proportion (based upon the relation of the amount of stock reacquired to the total amount of that particular class or series of stock outstanding before its reacquirement) of the balance in the discount and premium account with respect to the stock reacquired shall be cleared to account 179, "Other capital surplus," except that any excess of a debit amount over the balance in account 179, applicable to capital stock of the same class, shall be charged to earned surplus: *And, provided further,* That a credit amount shall be credited to earned surplus to the extent that any previous charges to earned surplus on account of transactions in capital stock of the same class have not been offset by previous credits to earned surplus on account of such transactions.

(f) No discount or premium on capital stock shall be included in any account as a part of the cost of acquiring any property or as a part of the cost of operation.

§ 31.1-15 *Discount, premium and expense on long-term debt.* (a) A separate discount, premium, and debt expense account shall be maintained to include both discounts suffered and premiums realized together with expenses incurred, in connection with the sale of each class and series of long-term debt (including receivers' certificates) issued or assumed by the company. (Note also §§ 31.01-3 (l), (n), (z), 31.1-13 (b).)

(b) In stating the balance sheet, the total of the debit balances remaining in these accounts having debit balances shall be reported under account 135, "Discount on long-term debt," and the total of credit balances remaining in these accounts having credit balances shall be reported under account 168, "Premium on long-term debt." Accounts with debit

balances shall not be offset by accounts with credit balances.

(c) The company may extinguish at any time through charges to account 413, "Miscellaneous debits to earned surplus," all or any part of the debit balance remaining in any particular discount, premium, and debt expense account.

(d) Each month there shall be credited to each particular discount, premium and debt expense account in which there is a debit balance the proportion (based upon the ratio of the month to the life of the security remaining at the beginning of the month) of such debit balance as is applicable to the month. The amounts thus credited shall be concurrently charged to account 338, "Amortization of discount on long-term debt." (Note also § 31.2-22 (b) (10) (ii).)

(e) Correspondingly each month there shall be charged to each particular discount, premium and debt expense account in which there is a credit balance the proportion of such credit balance as is applicable to the month. The amounts thus charged shall be concurrently credited to account 339, "Release of premium on long-term debt.—Cr." (Note also § 31.2-22 (b) (10) (ii).)

(f) Except as provided in paragraphs (c), (d) and (e) of this section, the balance in each of these accounts shall be carried until the reacquirement of the securities to which it relates at which time the proportion (based upon the relation of the amount of long-term debt reacquired to the total amount of that particular class or series of long-term debt outstanding before its reacquirement) of the balance in the discount, premium and debt expense account with respect to the long-term debt reacquired shall be cleared to account 402, "Miscellaneous credits to earned surplus," or account 413, "Miscellaneous debits to earned surplus," as may be appropriate. In the case of refinancing, amounts that ordinarily would thus be charged or credited to earned surplus may be made subject to amortization upon approval of the Commission in the specific instance. (Note also § 31.1-13 (b).)

(g) No discount, premium, or expense on long-term debt shall be included in any account as a part of the cost of acquiring any property or as a part of the cost of operation except under the provisions of § 31.2-22 (b) (10) (ii).

§ 31.1-16 *Exchange of securities.* Before recording journal entries which it is proposed to spread upon the company's books to record the reacquirement of capital stock or other securities issued or assumed by the company under a plan for the issuance in exchange therefor of the company's securities, a statement indicating the plan of accounting proposed by the company shall be presented to this Commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the authority of the regulatory body with respect thereto, if any, and the basis upon which the amounts have been determined.

§ 31.1-16A *Nonpar capital stock.* Before recording journal entries which it is proposed to spread upon the company's

books to record the issuance or assumption by the company of nonpar capital stock or appropriations of surplus for transfer to nonpar capital stock account, a statement indicating the plan of accounting shall be presented to this Commission for consideration and approval. Such statement shall give complete information with respect to the basis upon which the amounts to be recorded have been determined.

§ 31.1-17 *Contingent assets and liabilities.* Contingent assets represent a possible source of value to the company contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the company but which are neither direct nor assumed liabilities at the date of the balance-sheet. In the annual report to this Commission contingent assets and contingent liabilities shall not be included in the balance-sheet but contingent assets and liabilities shall be shown in detail in a supplementary statement accompanying it.

§ 31.1-18 *Surplus.* (a) The accounts designated as capital surplus accounts are designed to show (1) paid-in surplus (i. e., proprietary contributions in excess of the stated capital included in the capital-stock accounts), (2) donated surplus (including (i) surplus created by donations of stock or assets by proprietary interests, and (ii) contributions of assets or forgiveness of debt by others) when the intent of the donor or bondholder is to increase the company's invested capital, (3) surplus arising from reacquisition or resale of, or otherwise trading in, the company's own capital stock, and (4) surplus arising from the reduction of the stated value of capital stock due to such occasions as retirement, reorganization, or recapitalization.

(b) The balance-sheet accounts designated as earned-surplus accounts are designed to show the accumulated undistributed surplus derived from the normal operations of the company and from all sources (including sales of fixed assets) other than those sources referred to in paragraph (a) of this section.

(c) Not later than April 1, 1948 (except as provided in note hereto), the company shall submit to the Commission a transcript of its capital-surplus account or accounts covering the entire period from inception to January 1, 1948, showing in detail the nature and amounts of charges and credits, respectively, and the balance that was or, if it had always been maintained, would have been in the account at the close of each year. The transcript shall be accompanied by a summary statement in which the charges and credits for the entire period covered by the transcript have been classified according to their nature and summarized to show the aggregate amount of each such classification as well as the aggregate amount of charges and credits, respectively, for the period and the resulting balance in the account or accounts at January 1, 1948.

NOTE: Where a segregation corresponding to account 179, "Other capital surplus," has not been maintained in the past and any

credits which would have been made to that account are obviously exceeded by the charges which would have been made thereto, the company may file a certified statement, in lieu of the foregoing transcript and summary, specifying that as of December 31, 1947, the balance in account 181, "Unappropriated earned surplus," contained no capital surplus. For the purpose of this determination, write downs or write offs of valid intangible assets shall be considered to have been a charge against other capital surplus, except where conclusive evidence indicates that such action was intended to be made against earnings.

BALANCE-SHEET ACCOUNTS

INVESTMENTS

§ 31.100:1 *Telephone plant in service.* This account shall include the original cost (note § 31.01-3 (x)) of the company's property used in telephone service at the date of the balance sheet as classified under accounts 201 to 277, inclusive. (Note also §§ 31.01-3 (gg), 31.2-20, 31.2-21.)

§ 31.100:2 *Telephone plant under construction.* (a) This account shall include the original cost (note § 31.01-3 (x)) of construction of telephone plant not completed ready for service at the date of the balance sheet. It shall include interest during construction, taxes during construction, and all other elements of cost of such construction work. (Note also §§ 31.2-20 to 31.2-22.)

(b) When any telephone plant, the cost of which has been included in this account, is completed ready for service, the cost thereof shall be credited to this account and charged to the appropriate telephone plant or other accounts.

NOTE: It is not required that this account shall include the cost of construction work which will be completed ready for service within a short period, such as the installation of station apparatus, replacement of poles, and other work completed within a period of 1 or 2 months.

§ 31.100:3 *Property held for future telephone use.* (a) This account shall include the original cost (note § 31.01-3 (x)) of property owned and held for imminent use in telephone service under a definite plan for such use.

(b) The property included in this account shall be classified according to the primary accounts for telephone plant in service. Separate subaccounts shall be provided for this purpose which accounts shall carry the same numbers as the plant accounts except that each account number shall be prefixed by (1). (Note also §§ 31.2-20, 31.2-21.)

§ 31.100:4 *Telephone plant acquisition adjustment.* (a) This account shall include amounts determined in accordance with § 31.2-21 representing the difference between (1) the amount of money actually paid (or the current money value of any consideration other than money exchanged) for telephone plant acquired, plus preliminary expenses incurred in connection with the acquisition; and (2) the original cost (note § 31.01-3 (x)) of such plant, governmental franchises and similar rights acquired, less the amounts of reserve requirements for depreciation and amortization of the property acquired. If the actual original cost is not known, the en-

tries in this account shall be based upon an estimate of such cost.

(b) This account shall be subdivided according to the character of the amounts contained therein. In addition to a copy of the journal entry recorded to open the account, the company shall file with this Commission statements showing the basis of the computation of amounts included therein. The detailed records supporting these statements shall be retained permanently by the company.

(c) The amounts recorded in this account with respect to each property acquisition shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows:

(1) Debit amounts may be charged to earned surplus in whole or in part, or amortized over a reasonable period through charges to account 323, "Miscellaneous income charges," without further direction or approval by this Commission. Should a carrier desire the disposition of debit amounts in any manner other than as herein provided, it shall request that the Commission (i) approve recommended disposition or (ii) direct appropriate disposition according to the circumstances involved in each transaction.

(2) Credit amounts shall be disposed of in such manner as this Commission may approve or direct.

NOTE A: Disposition as herein provided is for accounting purposes only and shall not be construed as determining or controlling the amount or disposition of the items in a rate or other proceeding, nor shall anything contained in paragraph (c) of this section be construed as precluding the Commission from subsequently requiring disposition of such amounts through charges to earned surplus or from altering a previously determined amortization period.

NOTE B: When these matters involve a carrier subject to both Federal and State regulation, the cooperative procedure heretofore agreed to between Federal and State Commissions shall be invoked. (See FCC Rules and Regulations, Part 1, Appendix No. 2.)

§ 31.100:7 *Telephone plant adjustment.* (a) This account shall include the difference between the original cost (note § 31.01-3 (x)), estimated if not known, and the book cost of telephone plant, as at December 31, 1947, to the extent that such difference is not properly includible in account 100:4, "Telephone plant acquisition adjustment," and for which disposition has not previously been made.

(b) The amounts included in this account shall be so classified as to show the nature of each amount and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 31.101:1 *Investments in affiliated companies.* (a) This account shall include the book cost (note § 31.1-12) of the company's investment in securities issued or assumed by affiliated companies (note § 31.01-3 (d)) other than securities held in special funds (see also Note B to this account) or as temporary cash investments.

(b) This account shall be maintained so as to show separately the book cost of:

- (1) Common stocks.
- (2) Preferred stocks.
- (3) Long-term debt.

(c) The company's records shall be kept in such manner that in the annual reports to this Commission the securities pledged as collateral security for any of the company's long-term debt or short-term loans or to secure performance of contracts may be shown separately from securities unpledged.

NOTE A: The value of securities borrowed by the company shall not be included in this account.

NOTE B: The book cost of securities held in special funds shall be included in accounts 104, 136, or 137, as may be appropriate.

NOTE C: Working funds advanced to affiliated companies other than investment advances (note § 31.01-3 (q)) shall be included in account 115.

§ 31.101:2 *Advances to affiliated companies.* This account shall include the amount of the investment advances (note § 31.01-3 (q)) to affiliated companies.

NOTE: Amounts receivable from affiliated companies which are subject to current settlement shall be included in accounts 117:1 or 120:1, as appropriate.

§ 31.102 *Other investments.* (a) This account shall include the book cost (note § 31.1-12) of the company's investment in securities issued or assumed by non-affiliated companies (note § 31.01-3 (w)) and individuals, other than securities held in special funds (see also Note C to this account) or as temporary cash investments; also its investment advances (note § 31.01-3 (q)) to such parties and special deposits of cash for more than 1 year from date of deposit.

(b) This account shall be maintained so as to show separately the book cost of:

- (1) Stocks.
- (2) Long-term debt.
- (3) Investment advances.

(4) Special deposits of cash for more than 1 year from date of deposit.

(c) The company's records shall be kept in such manner that in the annual reports to this Commission the securities pledged as collateral security for any of the company's long-term debt or short-term loans or to secure the performance of contracts may be shown separately from the securities unpledged.

NOTE A: Amounts receivable from non-affiliated companies and individuals which are subject to current settlement shall be included in accounts 117:2 or 120:2, as appropriate.

NOTE B: The value of securities borrowed by the company shall not be included in this account.

NOTE C: The book cost of securities held in special funds shall be included in accounts 104, 136, or 137, as may be appropriate.

NOTE D: Working funds advanced to non-affiliated companies and individuals other than investment advances (note § 31.01-3 (q)) shall be included in account 115.

§ 31.103 *Miscellaneous physical property.* This account shall include the company's investment in physical property other than property the investment in which is includible in accounts 100:1, "Telephone plant in service," 100:2, "Telephone plant under construction," 100:3, "Property held for future tele-

phone use," and 100:4, "Telephone plant acquisition adjustment." It shall include the company's investment in telephone property retired (note § 31.01-3 (y)) and held for sale; also property such as lighting, water, power, and manufacturing plants, not held incident to the company's telephone operations, and assessments against miscellaneous physical property for the construction of public improvements.

§ 31.104 *Sinking funds.* (a) This account shall include the amount of cash, the book cost of securities issued by other companies, and the book or face amount (note § 31.01-3 (e), (o)) of nominally issued and nominally outstanding (note § 31.01-3 (u), (v)) securities issued or assumed by the company, and other assets which are held by trustees or by the company's treasurer in a distinct fund, for the purpose of redeeming outstanding obligations. (Note also §§ 31.1-12, 31.1-13, 31.3-31.)

(b) A separate account shall be kept for each sinking fund under a title which shall designate the obligation in support of which the fund was created.

§ 31.105 *Company securities owned.* (a) This account shall include the book or face amount (note § 31.01-3 (e), (o)) of nominally issued and nominally outstanding (note § 31.01-3 (u), (v)) securities issued or assumed by the company, other than such securities held in sinking or other special funds. (Note also § 31.1-13.)

(b) This account shall be maintained so as to show:

(1) For stock:

(i) Par stock:

(a) Number of shares and total book amount of shares unpledged.

(b) Number of shares and total book amount of shares pledged.

(ii) Nonpar stock: (Note § 31.1-16A.)

(a) Number of shares and book amount assigned to shares unpledged.

(b) Number of shares and book amount assigned to shares pledged.

(2) For long-term debt:

(i) Total face amount unpledged.

(ii) Total face amount pledged.

CURRENT ASSETS

§ 31.113 *Cash.* This account shall include the amount of current funds available for use on demand in the hands of financial officers and agents, or deposited in banks or with trust companies, also funds in transit for which agents have received credit. (Note also § 31.1-11.)

NOTE: Working funds shall be included in account 115.

§ 31.114 *Special cash deposits.* This account shall include the amount of cash on special deposit, other than in sinking and other special funds provided for elsewhere, to pay dividends, interest, and other debts, when such payments are due 1 year or less from the date of deposit; the amount of cash deposited to insure the performance of contracts to be performed within 1 year from date of the deposit; and other cash deposits of a special nature not provided for elsewhere. This account shall include the amount of cash deposited with trustees to be held

until mortgaged property sold, destroyed, or otherwise disposed of is replaced, and also cash realized from the sale of the company's securities and deposited with trustees to be held until invested in physical property of the company or for disbursement when the purposes for which the securities were sold are accomplished. (Note also § 31.1-11.)

NOTE A: Cash on deposit in special accounts where the funds are available for the current requirements of the company shall be included in account 113.

NOTE B: This account shall not include any amounts representing securities owned.

NOTE C: Cash on special deposit to be held for more than 1 year from the date of deposit shall be included in account 102.

§ 31.115 *Working funds.* This account shall include amounts advanced to officers, employees, and others as working funds from which expenditures are to be made and accounted for. (Note also § 31.1-11.)

§ 31.116 *Temporary cash investments.* This account shall include the book cost (note also §§ 31.1-11, 31.1-12) of securities acquired for the purpose of temporarily investing cash, such as time drafts receivable and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments of a temporary character. Securities of affiliated companies included in this account shall be recorded in a subaccount hereunder.

§ 31.117:1 *Notes receivable from affiliated companies.* This account shall include the book cost (note § 31.1-12) of demand or time notes, bills and drafts receivable, or other similar evidences (except interest coupons) of money receivable from affiliated companies on demand or within a time not exceeding 1 year from date of issue. (Note also § 31.1-11.)

NOTE: Obligations of affiliated companies any part of which matures more than 1 year from date of issue and notes evidencing investment advances (note § 31.01-3 (q)) shall be included in accounts 101:1, 101:2, 104, 116, 136, or 137, as appropriate.

§ 31.117:2 *Other notes receivable.* This account shall include the book cost (note § 31.1-12) not includible elsewhere, of all collectible obligations from non-affiliated companies and individuals in the form of notes receivable and other similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding 1 year from date of issue. (Note also § 31.1-11.)

NOTE: Obligations any part of which matures more than 1 year from date of issue, notes evidencing investment advances (note § 31.01-3 (q)) and notes issued by affiliated companies shall be included in accounts 101:1, 101:2, 102, 104, 116, 117:1, 136, or 137, as appropriate.

§ 31.118 *Due from customers and agents.* This account shall be subdivided as follows:

(a) *Due from customers and agents.* (1) This subaccount shall include amounts due from customers for services rendered or billed and from agents and collectors authorized to make collections from customers. (Note also § 31.1-11.) This subaccount shall be kept in such manner as will enable the company to make the following analysis:

(i) Amounts due from customers who are still receiving telephone service.

(ii) Amounts due from customers whose telephone service has been discontinued and whose accounts are in process of collection.

(2) Collections in excess of amounts charged to this subaccount may be credited to and carried in this account until applied against charges for services rendered or until refunded.

(3) The amount of notes held as security for customers' accounts may be carried in this account pending collection.

(b) *Reserve for uncollectible accounts—Cr.* (1) This subaccount shall be credited with such amounts as may be charged to account 530, "Uncollectible operating revenues—Dr.," to provide for uncollectible accounts included in subaccount 118 (a). (Note also § 31.5-51.) There shall also be credited to this subaccount amounts collected which previously have been written off through charges to this subaccount and credits to subaccount 118 (a).

(2) If this reserve for uncollectible accounts is maintained, there shall be charged to it any amounts covered thereby which have been found to be impracticable of collection. If such reserve is not maintained, amounts included in subaccount 118 (a) which have been found to be uncollectible shall be charged to account 530, "Uncollectible operating revenues—Dr."

§ 31.120:1 *Accounts receivable from affiliated companies.* (a) This account shall include amounts due from affiliated companies (note § 31.01-3 (d)) on all transactions that are subject to current settlement, except for sales of telephone service at regular rates. There shall be included herein accounts receivable arising from division of toll revenues. (Note also § 31.1-11.)

(b) In the balance-sheet statement there may be included in this account the net amount receivable from companies against each of which there is a net debit balance between this account and account 159:1, "Accounts payable to affiliated companies."

NOTE: If any items included in this account are not actually paid currently they shall be transferred to account 101:2.

§ 31.120:2 *Other accounts receivable.* (a) This account shall include all amounts currently due, other than those from affiliated companies, and not provided for in other accounts, such as those for traffic settlements, material and supplies, repairs to telephone plant, matured rents, and interest receivable under monthly settlements on short-term loans, advances, and open accounts. (Note also § 31.1-11.)

(b) In the balance-sheet statement there may be included in this account the net amount receivable from companies against each of which there is a net debit balance between this account and account 159:2, "Other accounts payable."

§ 31.121 *Interest and dividends receivable.* This account shall include the amount of interest accrued to the date of the balance-sheet on bonds, notes, and

other commercial paper owned, on loans made, and the amount of dividends receivable on stocks owned. (Note also § 31.1-11.)

NOTE A: These accounts shall not include dividends or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking and other funds.

NOTE B: Interest receivable under monthly settlements on short-term loans, advances, and open accounts, shall be included in accounts 120:1 or 120:2, as appropriate.

§ 31.122 *Material and supplies.* (a) This account shall include the cost of unapplied material and supplies held in stock, including plant supplies, tools, fuel, stationery, directory paper stock, and other supplies; and material and articles of the company in process of manufacture for supply stock.

(b) Transportation charges, so far as practicable, shall be included as a part of the cost of the particular material to which they relate. When not so includible, they shall be charged to account 704, "Supply expense."

(c) So far as practicable, cash and other discounts on material shall be deducted in determining the cost of the particular material to which they relate or credited to the account to which the material is charged. When not so deductible, they shall be credited to account 704, "Supply expense."

(d) Material recovered in connection with construction, maintenance, or retirement of property shall be charged to this account as follows (note § 31.01-3 (bb)):

(1) Reusable material comprising items that, when installed or in service, were units of property or principal components of assemblies that were units of property, shall be included in this account at original cost (note § 31.01-3 (x)), estimated if not known. (Note also § 31.2-25 (d).) Reusable material comprising minor items that, when installed or in service, were neither units of property nor principal components of assemblies that were units of property, shall be included in this account at current prices new. The cost of repairing reusable material shall be charged to the appropriate account in operating expenses.

(2) Scrap and nonusable material included in this account shall be carried at the estimated amount which will be received therefor. The difference between the amounts realized for scrap and nonusable material sold and the amounts at which it is carried in this account, so far as practicable, shall be adjusted in the accounts credited when the material was taken up in this account.

NOTE A: This account shall not include amounts representing the cost of material or articles, title to which is not vested in the company.

NOTE B: Interest paid on material bills, the payments of which are delayed, shall be charged to account 336.

NOTE C: Inventories of material and supplies shall be taken during each calendar year and the necessary adjustment to bring this account into harmony with the actual inventory shall be made. In effecting this adjustment, differences which may practically be assigned to important classes of ma-

terial shall be equitably adjusted among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory or included in account 704. The company is permitted to equalize over the period between inventories, through debits or credits to account 704 and concurrent credits or debits to account 122, the estimated amount, based on the company's past experience, of the overage or shortage which will occur at the subsequent inventory. Determined differences between the amount of the provision thus made and the actual inventory overage or shortage shall be cleared as provided for in the second and third sentences of this note.

NOTE D: If, for convenience in accounting and economy in handling material and supplies for nontelephone operations, their cost is included in this account, the company's records shall be maintained so that the cost of such material and supplies so carried can be determined.

§ 31.123 *Other current assets.* This account shall include the amount of all current assets which are not includible in accounts 113 to 122, inclusive, such as un-matured rents receivable. (Note also § 31.1-11.)

OTHER ASSETS

§ 31.126 *Subscriptions to capital stock.* (a) This account shall include the balance owing from subscribers upon legally enforceable subscriptions to capital stock.

(b) The purchase price shall be debited to this account at the time the subscription is received. Concurrently there shall be credited to account 153:1, "Capital stock subscribed," the book amount (note § 31.01-3 (e)) of the stock subscribed. The difference between these amounts shall be debited or credited, as appropriate, to account 134:1, "Discount on capital stock," or account 152, "Premium on capital stock." (Note also § 31.01-3 (n), (z).)

(c) Payments received from subscribers shall be credited to this account.

NOTE: The records supporting the entries to this account shall be kept so that the company can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

§ 31.127 *Subscriptions to funded debt.* (a) This account shall include the balance owing from subscribers upon legally enforceable subscriptions to funded debt.

(b) The purchase price shall be debited to this account at the time the subscription is received. Concurrently there shall be credited to account 154:2, "Funded debt subscribed," the face amount (note § 31.01-3 (o)) of the funded debt subscribed. The difference between these amounts shall be debited or credited, as appropriate, to account 135, "Discount on long-term debt," or account 168, "Premium on long-term debt." (Note also § 31.01-3 (n), (z).)

(c) Payments received from subscribers shall be credited to this account.

NOTE: The records supporting the entries to this account shall be kept so that the company can furnish the name and address

of each subscriber, the amount and kind of funded debt subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

PREPAID ACCOUNTS AND DEFERRED CHARGES

§ 31.129 *Prepaid rents.* This account shall include the amounts of rents paid in advance, except minor amounts which may be charged direct to the final accounts. As the term expires for which the rents are paid, this account shall be credited at monthly intervals and the appropriate account charged. (Note also §§ 31.2-22 (b), 31.2-23 (a), and accounts 303, 315, 671, and the clearing accounts.)

§ 31.130 *Prepaid taxes.* This account shall include the amounts of taxes paid in advance, except minor amounts which may be charged direct to the final accounts. As the term expires for which the taxes are paid, this account shall be credited at monthly intervals and the appropriate account charged. (Note also § 31.2-22 (b) (8) and accounts 305 and 322.)

§ 31.131 *Prepaid insurance.* This account shall include the amount of insurance premiums paid in advance, except premiums chargeable to the telephone plant accounts and minor amounts which may be charged direct to the final accounts. As the term expires for which the premiums are paid, this account shall be credited at monthly intervals and the appropriate account charged.

§ 31.132 *Prepaid directory expenses.* This account shall include the cost of preparing, printing, binding, and delivering directories and the cost of soliciting advertisements for directories, except minor amounts which may be charged direct to account 649, "Directory expenses." Amounts carried in this account shall be cleared to account 649 by monthly charges of such amounts as represent the portion of the expense that is applicable to the respective months. (Note also account 649.)

§ 31.133 *Other prepayments.* This account shall include prepayments other than those includible in accounts 129 to 132, inclusive, except minor amounts which may be charged direct to the final accounts. As the term expires for which the payments apply, this account shall be credited at monthly intervals and the appropriate account charged.

§ 31.134:1 *Discount on capital stock.* This account shall include the total of debit balances in the discount and premium accounts, for all classes of capital stock having debit balances in these accounts. (Note § 31.1-14.)

§ 31.134:2 *Capital stock expense.* (a) This account shall include all commissions and expenses incurred in connection with the issuance or sale of capital stock, including additional capital stock of a certain class or series as well as first issues. (Note §§ 31.01-3 (ee), 31.1-13 (d)-(f).)

(b) When any issue of capital stock, or a portion thereof, is reacquired, there

shall be credited to this account and charged to account 179, "Other capital surplus," the amount herein with respect to such stock, except that any excess of such amount over the balance in account 179 applicable to capital stock of the same class, shall be charged to earned surplus.

(c) The company may amortize or write off the balance carried in this account by credits hereto and concurrent charges to account 179, "Other capital surplus," or to earned surplus in case the amount exceeds the balance in account 179 applicable to the same class of stock.

(d) Separate subaccounts shall be provided hereunder for each class and series of capital stock.

§ 31.135 *Discount on long-term debt.* This account shall include the total of debit balances in the discount, premium, and debt expense accounts, for all classes of long-term debt having debit balances in these accounts. (Note § 31.1-15.)

§ 31.136 *Provident funds.* This account shall include the amount of cash, the book cost of securities of other companies, and the book or face amount (note § 31.01-3 (e), (o)) of nominally issued and nominally outstanding (note § 31.01-3 (u), (v)) securities issued or assumed by the company, and other assets held by trustees or managers of employees' pension funds, savings funds, relief, hospital, and other association funds (whether contributed by the company, by employees, or by others), when such trustees or managers are acting for the company in the administration of such funds. (Note also §§ 31.1-12, 31.1-13, 31.3-31.)

NOTE: This account shall not include funds held by trustees when such funds are irrevocably devoted to pension purposes.

§ 31.137 *Insurance and other funds.* This account shall include the amount of cash, the book cost of securities of other companies, and the book or face amount (note § 31.01-3 (e), (o)) of nominally issued and nominally outstanding (note § 31.01-3 (u), (v)) securities issued or assumed by the company, and other assets held by trustees or managers (including workmen's compensation commissions) of insurance and other funds which have been specifically set aside or invested for specific purposes not provided for elsewhere. A separate account shall be kept for each fund under titles which will designate the obligation in support of which the fund is created. (Note also §§ 31.1-12, 31.1-13, 31.3-31.)

§ 31.138 *Extraordinary maintenance and retirements.* (a) This account shall include the unprovided-for loss in service value of telephone plant retired in accordance with provisions of § 31.02-83. (Note also account 609.)

(b) This account shall include also the cost of extensive replacements of station apparatus, inside, drop and block wires, in accordance with the provisions of § 31.6-64. (Note also account 605.)

(c) Charges provided in paragraphs (a) and (b) of this section shall be included in this account only after permission of this Commission has been ob-

tained. The company's application to this Commission for such permission shall give full particulars concerning the property retired or of the extensive replacements of apparatus or wires, the amount chargeable to operating expenses, and the period over which in its judgment the amount of such charges should be distributed.

§ 31.139 *Other deferred charges.* This account shall include all deferred charges, not provided for elsewhere, such as unaudited amounts and other debit balances in suspense that cannot be cleared and disposed of until additional information is received; debit balances in clearing accounts; the amount, pending determination of loss, of funds on deposit with banks which have failed; assets of current character but of doubtful value (note also § 31.1-11); revenue, expense, and income items held in suspense (note also § 31.01-6); amounts paid for options pending final disposition; the cost of preliminary surveys, plans, investigations, etc., made for determining the feasibility of projects under contemplation. This account shall include also the cost of valuations, inventories, and appraisals taken in connection with the contemplated acquisition or sale of property. If the property is subsequently acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition, or if it is sold, such costs shall be deducted from the sale price in accounting for the property sold. If contemplated projects are carried out, the preliminary costs shall be included in the cost of the projects; if the contemplated projects are abandoned, such costs (including options paid, if any) shall be charged to account 413, "Miscellaneous debits to earned surplus."

STOCK

§ 31.150 *Capital stock.* (a) This account shall include the book amount (note § 31.01-3 (e)) of certificates which represent permanent interests in the company or interests which if terminable are so only at the option of the company. (Note also § 31.1-16A.)

(b) This account shall be kept so as to show the book amount of: (1) Nominally issued capital stock, (2) actually outstanding capital stock, and (3) nominally outstanding capital stock. (Note §§ 31.01-3 (c), (u), (v), 31.1-13 (d)-(f).)

(c) The amounts included herein shall be further divided so as to show the book amount of stocks with par value and stocks without par value, classified according to preferences in distribution of dividends or assets, difference in voting rights, and difference in conditions under which they may be retired.

(d) This account shall be charged with the book amount of any stock retired at the time of retirement.

NOTE A: When a general levy or assessment is made against holders of par stock requiring the payment of any sum in addition to the consideration agreed upon at the time of the sale, the amount collected upon such levy or assessment shall be credited to the discount or premium account for the class of stock on which the assessment is made. If such a levy or assessment is made against the

holders of nonpar stock, the amount collected shall be added to the book amount carried in this account for such stock.

NOTE B: No entries shall be made in this account for stock certificates before the certificates have been lawfully authorized and authenticated.

§ 31.151 *Stock liability for conversion.* This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of other companies which have not been surrendered for exchange.

NOTE: When prior to their actual conversion the securities outstanding have been given all rights and privileges of capital stock of the company's own issue, such securities shall be included in account 150.

§ 31.152 *Premium on capital stock.* This account shall include the total of credit balances in the discount and premium accounts, for all classes of capital stock having credit balances in these accounts. (Note § 31.1-14.)

§ 31.153:1 *Capital stock subscribed.* (a) This account shall include the book amount (note § 31.01-3 (e)) of capital stock for which legally enforceable subscriptions have been received but for which, at the date of the balance-sheet, stock certificates have not been issued. A separate subaccount shall be maintained for each class of capital stock.

(b) This account shall be debited and account 150, "Capital stock," credited when a subscriber has paid his subscription in full and stock certificates are issued representing the shares subscribed.

(c) Accrued dividends, if any, on the stock certificates issued to subscribers shall be accounted for through the appropriate dividend account. (Note § 31.01-3 (n), (z), also account 126.)

§ 31.153:2 *Installments paid on capital stock.* (a) This account shall include the amount of installments paid on capital stock on a partial or installment payment plan by subscribers against whom there is no legally enforceable subscription contract, and who are entitled to be reimbursed for the principal amount of their payments, with or without interest, in the event they fail to complete payments for the stock and receive certificates therefor.

(b) As the total amount of each subscription is received and stock certificates are issued this account shall be cleared; the book amount (note § 31.01-3 (e)) of the certificates shall be included in account 150, "Capital stock," and any discount or premium (note § 31.01-3 (n), (z)) involved shall be included in the appropriate discount or premium account.

NOTE: The records supporting the entries to this account shall be kept so that the company can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

LONG-TERM DEBT

§ 31.154:1 *Funded debt.* (a) This account shall include the total face amount (note § 31.01-3 (o)) of un-

matured debt, maturing more than 1 year from date of issue, issued by the company and not retired, and the total face amount of similar unmatured debt of other companies, the payment of which has been assumed by the company, including funded debt the maturity of which has been extended by specific agreement. (Note §§ 31.1-13, 31.1-15, also account 154:2.)

(b) This account shall be kept so as to show the face amount of: (1) Nominally issued funded debt, (2) actually outstanding funded debt, and (3) nominally outstanding funded debt. (Note § 31.01-3 (c), (u), (v).)

(c) The amounts included herein shall be further divided so as to show the amounts of each class of funded debt as follows:

(1) Mortgage bonds: Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(2) Collateral trust bonds: Bonds and notes secured by a lien on securities or other negotiable paper, and stock trust certificates that are similar in character to collateral trust bonds.

(3) Income bonds: Bonds which are a lien on a company's income alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(4) Miscellaneous obligations: All funded obligations not provided for by the other subdivisions of this account, including unsecured certificates of indebtedness, debenture bonds, plain bonds, and other similar obligations maturing more than 1 year from date of issue.

(d) Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity.

NOTE A: Securities maturing 1 year or less from date of issue shall be included in accounts 158:1 or 158:2, as appropriate, except that where an issue of securities maturing serially over a period of more than 1 year contains short-term obligations, such obligations shall be included as funded debt.

NOTE B: Matured funded debt shall be included in account 163.

NOTE C: Investment advances, including those represented by notes (note § 31.01-3 (q)), shall be included in account 156 or account 157, as may be appropriate.

§ 31.154:2 Funded debt subscribed.

(a) This account shall include the face amount (note § 31.01-3 (o)) of funded debt for which legally enforceable subscriptions have been received but for which, at the date of the balance-sheet, evidences of indebtedness have not been issued. A separate subaccount shall be maintained for each class of funded debt.

(b) This account shall be debited and account 154:1, "Funded debt," credited when the total amount of each subscription is received and evidences of indebtedness are issued.

(c) Accrued interest on the evidences of indebtedness issued to subscribers shall be accounted for through the appropriate interest account. (Note § 31.01-3 (n), (z), also account 127.)

§ 31.155 *Receivers' certificates.* When any receiver acting under the orders of a court is in possession of the property of the company and under the orders of such court issues evidences of indebtedness chargeable upon such property, the face amount (note § 31.01-3 (o)) of such evidences of indebtedness shall be credited to this account.

§ 31.156 *Advances from affiliated companies.* This account shall include the amount of investment advances (note § 31.01-3 (q)) from affiliated companies (note § 31.01-3 (d)).

NOTE: Amounts due affiliated companies which are subject to current settlement shall be included in accounts 158:1 or 159:1, as appropriate.

§ 31.157 *Other long-term debt.* This account shall include investment advances (note § 31.01-3 (q)) from non-affiliated companies (note § 31.01-3 (w)) and individuals, and other long-term debt not provided for elsewhere.

NOTE: Amounts due nonaffiliated companies and individuals which are subject to current settlement shall be included in accounts 158:2 or 159:2, as appropriate.

CURRENT LIABILITIES

§ 31.158:1 *Notes payable to affiliated companies.* This account shall include the face amount (note § 31.01-3 (o)) of notes, drafts, and other evidences of indebtedness to affiliated companies (note § 31.01-3 (d)) issued or assumed by the company (except interest coupons) which are payable on demand or not more than 1 year from date of issue.

NOTE A: Exclude from this account notes that are within the definition of account 156.

NOTE B: The records supporting the entries to this account shall be kept so that the company can furnish complete details as to each note, when it is issued, the consideration received, and when it is payable.

§ 31.158:2 *Other notes payable.* This account shall include the face amount (note § 31.01-3 (o)) of notes, drafts, and other evidences of indebtedness to non-affiliated companies (note § 31.01-3 (w)) and individuals issued or assumed by the company (except interest coupons) which are payable on demand or not more than 1 year from date of issue.

NOTE A: Obligations any part of which matures more than 1 year from date of issue, notes representing investment advances (note § 31.01-3 (q)), and notes payable to affiliated companies shall be included in accounts 154:1, 156, 157, or 158:1, as appropriate.

NOTE B: All unmatured receivers' certificates, regardless of date of maturity, shall be included in account 155.

§ 31.159:1 *Accounts payable to affiliated companies.* (a) This account shall include amounts owed by the company to affiliated companies (note § 31.01-3 (d)) on all transactions subject to current settlement. There shall be included herein accounts payable arising from divisions of toll revenues.

(b) In the balance-sheet statement there may be included in this account the net amount payable to companies in favor of each of which there is a net credit balance between this account and account 120:1, "Accounts receivable from affiliated companies."

NOTE: If items included in this account are not actually paid currently, they shall be transferred to account 156.

§ 31.159:2 Other accounts payable.

(a) This account shall include amounts currently due to nonaffiliated companies (note § 31.01-3 (w)), and individuals and not provided for in other accounts, such as those for wages, traffic settlements, material and supplies, repairs to telephone plant, matured rents, and interest payable under monthly settlements on short-term loans, advances, and open accounts.

(b) In the balance-sheet statement there may be included in this account the net amount payable to companies in favor of each of which there is a net credit balance between this account and account 120:2, "Other accounts receivable."

§ 31.160 *Customers' deposits.* This account shall include the amount of cash deposited with the company by customers as security for the payment for telephone service.

NOTE: Advance payments made by prospective customers prior to the establishment of service shall be credited to account 164.

§ 31.162 *Matured interest and dividends.* This account shall include the amount of matured and unpaid interest on indebtedness of the company, and receivers' certificates, and the amount of dividends due and payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet.

NOTE: Interest payable under monthly settlements on short-term loans, advances, and open accounts shall be included in accounts 159:1 or 159:2, as appropriate.

§ 31.163 *Matured long-term debt.* This account shall include the amount (including any obligations for premiums) of long-term debt and receivers' certificates matured and unpaid without any specific agreement for extension of maturity, including unrepresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

§ 31.164 *Advance billing and payments.* This account shall include the amount of advance billing creditable to revenue accounts in future months; also advance payments made by prospective customers prior to the establishment of service. Amounts included in this account shall be credited to the appropriate revenue accounts in the months in which the service is rendered or cleared from this account as refunds are made.

§ 31.165 *Other current liabilities.* This account shall include all liabilities of a current character which are not includible in accounts 158:1 to 164, inclusive.

ACCRUED LIABILITIES NOT DUE

§ 31.166 *Taxes accrued.* This account shall include the amount of unpaid taxes accrued. (Note also § 31.2-22 (b) (8) and accounts 305 and 322.)

NOTE: Taxes paid in advance shall be included in account 130.

§ 31.167 *Unmatured interest, dividends, and rents accrued.* (a) This ac-

count shall include the amount of interest on indebtedness of the company and receivers' certificates, dividends on capital stock, and rents accrued to the date for which the balance-sheet is made, but not payable until after that date.

(b) This account shall be maintained so as to show separately the amount of interest, of dividends, and of rents accrued to the date of the balance-sheet.

NOTE A: Matured rents are includible in account 159:1 or 159:2, and matured dividends and interest in account 162.

NOTE B: Interest payable under monthly settlements on short-term loans, advances, and open accounts shall be included in account 159:1 or 159:2, as appropriate.

DEFERRED CREDITS AND RESERVES

§ 31.168 *Premium on long-term debt.* This account shall include the total of credit balances in the discount, premium, and debt expense accounts, for all classes of long-term debts having credit balances in these accounts. (Note § 31.1-15.)

§ 31.169 *Insurance reserve.* (a) To this account shall be credited appropriations of income or earned surplus specifically made to cover self-carried risks for losses through accident, fire, flood, or other causes.

(b) In case the company elects to carry its own risks for losses through accident, fire, flood, or other causes and provides a reserve, other than provision made in the depreciation reserve, to equalize anticipated losses, the charges to account 668, "Insurance," and other appropriate accounts to cover such risks shall be credited to this account. Such charges and credits shall be upon the basis of rates which fairly cover the risks insured. These rates should be determined according to the company's experience and best estimate as to the hazard covered. A schedule of risks covered by this reserve shall be maintained giving a description of the property or the character of the risks covered.

(c) If the company reinsures with insurance companies risks initially covered in this account, the premiums for such reinsurance shall be charged hereto, and the amounts recovered under such commercial insurance shall be credited hereto.

(d) To the extent that losses and damages sustained are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts appropriate for the losses and damages sustained.

NOTE: All losses and damages sustained, including those covered by commercial insurance or by this account, shall be charged in the first instance to the depreciation reserve, construction, repair, accidents and damages, or other appropriate account according to the character of the loss. Insurance recoverable or chargeable to this account on account of losses and damages sustained shall be credited to the account to which the losses and damages are chargeable.

§ 31.170 *Provident reserve.* (a) This account shall include specific appropriations of income or earned surplus and the amounts contributed by employees or others (whether carried in special trust funds or in the general funds of the company) for pensions, accident and death

benefits, savings, relief, hospital, and other provident purposes, when administered by trustees or managers acting for the company.

(b) This account shall include also the amount accrued for pensions through charges to account 672, "Relief and pensions." Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

§ 31.171 *Depreciation reserve.* (a) This account shall be credited with amounts concurrently charged to account 608, "Depreciation," and to clearing accounts for currently accruing depreciation (note § 31.01-3 (m) of telephone plant). (Note also §§ 31.02-80 to 31.02-82.) It shall also be credited with any amounts which the company may elect to charge to account 413, "Miscellaneous debits to earned surplus," and transfer to this account with respect to past accrued depreciation not provided for. (Note also §§ 31.2-20 (b), 31.2-21.)

(b) At the time of retirement of depreciable telephone plant, this account shall be charged with the original cost (note § 31.01-3 (x)) of the property retired plus the cost of removal (except the cost of removal of station apparatus) and shall be credited with the salvage value and insurance recovered, if any. It shall be credited with amounts chargeable to account 138, "Extraordinary maintenance and retirements," as provided in § 31.02-83. (Note also § 31.2-25.)

(c) For corporate ledger and balance-sheet purposes this account shall be regarded and treated as a single composite reserve. However, for purposes of analysis, the company shall maintain subsidiary records in which the depreciation reserve is broken down into component parts corresponding to the primary telephone plant accounts which include depreciable telephone plant (note also § 31.02-82); these subsidiary records shall show the current credits and debits to the reserve in complete detail by such primary plant accounts.

§ 31.172 *Amortization reserve.* (a) This account shall be credited with amounts concurrently charged to account 613, "Amortization of intangible property," for the amortization of leaseholds, franchises, and patent rights. (Note also § 31.2-25 (e).)

(b) This account shall be credited with any amounts concurrently charged to account 413, "Miscellaneous debits to earned surplus," to provide a reserve for the retirement of amounts carried in account 201, "Organization." It shall also be credited with any amounts which this Commission may authorize under a plan to amortize the balance in account 100:4, "Telephone plant acquisition adjustment."

(c) When any leasehold carried in account 211, "Land," or any franchise or patent expires, is relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited hereto with respect to the property going out of service. The original cost (note § 31.01-3 (x)) of the property so retired less the amount chargeable to this account and less the

proceeds realized at retirement shall be included in the appropriate earned surplus account. (Note accounts 315 and 174 for depreciation of miscellaneous physical property.)

§ 31.173 *Employment stabilization reserve.* (a) This account shall be credited with amounts concurrently charged to account 611, "Employment stabilization." When maintenance work for which provision has been made in this account is performed, this account shall be charged with an amount equal to the cost of such work and concurrently account 611 shall be credited.

(b) This account shall also be credited with amounts concurrently charged to account 672, "Relief and pensions," under provisions of paragraph (f) of that account to provide a reserve for termination allowances of similar benefits to employees of the company when such employees are laid off because of lack of work, also to provide necessary and warranted relief to former employees. When disbursements are made for these purposes they shall be charged to this account.

§ 31.174 *Other deferred credits.* (a) This account shall include the amount of all deferred credits not includible in accounts 168 to 173, inclusive, such as credit balances in clearing accounts; estimated uninsured casualty liabilities charged to account 669, "Accidents and damages"; amounts awaiting adjustments between accounts; amounts accrued for depreciation of miscellaneous physical property; and revenue, expense, and income items in suspense. (Note also § 31.01-6.)

(b) When miscellaneous physical property not previously used in telephone service is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property and the book cost of the property so retired less the amount chargeable to this account and less the value of the salvage recovered or the proceeds from the sale of the property shall be included in the appropriate earned surplus account. In case the property had been used in telephone service previous to its inclusion in account 103, "Miscellaneous physical property," the amount accrued for depreciation thereon after its retirement from telephone service shall be charged to this account and credited to account 171, "Depreciation reserve," and the accounting for its retirement from account 103 shall be in accordance with that applicable to telephone plant retired. (Note also § 31.2-25.)

§ 31.179 *Other capital surplus.* Among the amounts includible in this account are credits arising from the reacquisition and resale, from the retirement and cancellation, from a reduction of a stated value, and from the donation by stockholders of the company's capital stock; surplus arising from the forgiveness of debt of the company; surplus recorded upon the reorganization or recapitalization of the company; and amounts that become the property of the company as a result of a forfeiture by others of deposits on subscriptions to

capital stock and of installments paid on capital stock.

NOTE: When the circumstances under which debt is forgiven indicate that its forgiveness is an adjustment of earned surplus, it may be treated as such upon the approval by this Commission in the specific instance.

EARNED SURPLUS

§ 31.180 *Earned surplus reserved.* (a) This account shall include the amount of earned surplus reserved or otherwise set aside for any purpose not provided for elsewhere. (Note § 31.3-31.)

(b) Separate subaccounts shall be maintained under such titles as will designate the purpose for which each reserve recorded hereunder was created.

§ 31.181 *Unappropriated earned surplus.* An account under this title shall be maintained in the general books of the company. It shall include the balance of all earned surplus accounts (400 to 416, inclusive).

INSTRUCTIONS FOR TELEPHONE PLANT ACCOUNTS

§ 31.2-20 *Purpose of telephone plant accounts.* (a) The telephone plant accounts (201 to 277, inclusive) are designed to show the original cost (note § 31.01-3 (x)) of the company's telephone plant (note § 31.01-3 (hh)) which ordinarily has a service life of more than 1 year, including such plant whether used by the company or others in telephone service (note § 31.01-3 (gg)); also the original cost of franchises, patents, right of way, leaseholds and other interests in land. It shall also include the general expenses of organization of the accounting company.

(b) The telephone plant accounts shall not include the cost or other value of telephone plant contributed to the company. Contributions in the form of money or its equivalent toward the construction of telephone plant shall be credited to the accounts charged with the cost of such construction. Amounts of initial non-recurring charges based on the cost of plant or equipment furnished in rendering service to a customer, other than as provided in § 31.5-50 (b) (2) shall be credited to the accounts charged with the cost of the plant or equipment. Amounts of initial charges based on the estimated cost of removal of such plant or equipment shall be credited to account 171, "Depreciation reserve", or account 607, "Station removals and changes" as appropriate.

NOTE A: Amounts received for construction which are ultimately to be repaid wholly or in part, shall be credited to account 174; when final determination has been made as to the amount to be returned, any unrecovered amounts shall be credited to the accounts charged with the cost of such construction. Amounts received for the construction of plant, the ownership of which rests with or will revert to others, shall be credited to the accounts charged with the cost of such construction.

NOTE B: Amounts in account 175, "Contributions of telephone plant", as at the date of discontinuation of that account shall be disposed of consistently with the provisions of paragraph (b) and Note A of this section: *Provided, however,* That amounts so substantial as to distort the accounts shall be disposed of as provided in § 31.01-5.

(c) When telephone plant ordinarily having a service life of more than 1 year is installed for temporary use in telephone service, it shall be accounted for in the same manner as plant having a service life of more than 1 year. This includes temporary installations of station equipment, plant (such as poles, wire, and cable) installed to maintain service during the progress of highway reconstruction or during interruptions due to storms or other casualties, equipment used for the training of operators, equipment used to provide intercepting positions in central offices to handle traffic for a short period following cut-over to dial-system service, and similar installations of property for telephone service.

(d) The cost of individual items of equipment, such as tools and office equipment of small value (for example, costing \$10 or less) or short life, shall be charged to the appropriate operating expense or clearing accounts according to the use of such items, except that such accounting shall not be permitted when the investment in such property is relatively large and the correctness of the accounting therefor is verified by current inventories.

§ 31.2-21 *Telephone plant acquired.* (a) When property comprising a substantially complete telephone system, exchange, or toll line is acquired from predecessors, the amount of money actually paid (or the current money value of any consideration other than money exchanged) for the property (together with preliminary expenses incurred in connection with the acquisition) shall be charged to account 276, "Telephone plant acquired." (Note also account 139.)

(b) The accounting for the acquisition of the plant shall then be completed as follows:

(1) The original cost, estimated if not known (note § 31.01-3 (x)), of telephone plant, governmental franchises and other similar rights acquired shall be charged to the telephone plant accounts, account 100:2, "Telephone plant under construction," and account 100:3, "Property held for future telephone use," as appropriate, and credited to account 276. When the actual original cost cannot be determined and estimates are used, the company shall be prepared to furnish this Commission with the particulars of such estimates.

(2) The amounts of the reserve requirements for depreciation and amortization of the plant acquired shall be credited to account 171, "Depreciation reserve," and account 172, "Amortization reserve," and debited to account 276.

(3) The amount remaining in account 276, "Telephone plant acquired," applicable to the plant acquired, shall, upon completion of the entries provided in subparagraphs (1) and (2) of this paragraph, be debited or credited, as appropriate, to account 100:4, "Telephone plant acquisition adjustment," except that when any amount thus chargeable to account 100:4 applies to duplicate or other telephone plant which will be retired by the vendee in the reconstruction of the acquired property and its consolidation with previously owned property, the accounting for the amount applicable to such plant shall be sub-

mitted to this Commission for consideration and approval.

(c) The accounting for property acquired from predecessors, not provided for in paragraphs (a) and (b) of this section, shall be on the basis of the amount of money actually paid (or the current money value of any consideration other than money exchanged) for such property.

(d) A memorandum record shall be kept of the amount of contributions in aid of construction applicable to the property acquired as shown by the accounts of the previous owner.

(e) Except for telephone plant acquired by class A companies where the consideration paid is less than \$50,000 and by class B companies where the consideration paid is less than \$25,000, copies of journal entries recording acquisitions of telephone plant covered by this instruction shall be submitted to this Commission for consideration and approval. The text of such entries shall give a complete description of the property acquired and the bases upon which the amounts of the entries have been determined.

§ 31.2-22 *Cost of construction.* (a) The cost of construction of property chargeable to the telephone plant accounts shall include the cost of labor, material and supplies, transportation, contract work, relief and pensions, protection, injuries and damages, privileges and permits, taxes, special machine services, interest during construction, insurance, construction services, and other analogous elements in connection with said work.

(b) The following is a description of the major items referred to in paragraph (a) of this section:

(1) "Cost of labor" includes the pay and expenses of employees directly engaged in or being trained for construction work, of foremen in direct charge thereof, and an equitable proportion of the cost of local plant administration, general plant supervision and engineering, and of the pay, office, and other expenses of general officers and general office employees devoting part of their time to supervisory, administrative, or clerical functions in connection with construction work.

(2) "Cost of material and supplies" includes the purchase price at the point of free delivery plus the costs of inspection, loading and transportation, and an equitable proportion of supply expense. In determining the cost of material used, proper allowance shall be made for unused material, for material recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of material.

(3) "Cost of transportation" includes the cost of transporting employees, material and supplies, tools, and other work equipment. It includes amounts paid therefor to other companies or individuals and the cost of the company's own motor vehicle or other transportation service.

(4) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or

individuals, engineering and supervision applicable to such work, costs incident to the award of contracts, and the inspection of such work. The cost of construction work performed by affiliated companies (note § 31.01-3 (d)) and other details relating thereto shall be available from the work in progress and supporting records.

(5) "Cost of protection" includes the cost of protecting the company's property from fire or other casualties and the cost of preventing damages to others or the property of others.

(6) "Cost of injuries and damages" includes expenditures or losses in connection with construction work on account of injuries to persons and damages to the property of others. (Note also accounts 669 and 672.)

(7) "Cost of privileges and permits" includes payments for and expenses incurred in securing privileges, permits, or rights in connection with construction work, such as for use of private property, streets, or highways. The cost of such privileges and permits shall be included in the cost of the work for which the privileges or permits are secured, except for costs includible in account 202, "Franchises," and account 207, "Right of way."

(8) "Taxes" includes taxes on physical property during construction and before the facilities are completed ready for service, assessed separately from taxes on operating property or under conditions which permit separate identification or allocation of the amount chargeable to construction.

(9) "Special machine service" includes the cost of labor expended, materials and supplies consumed, and other expenses incurred in the maintenance, operation, and use of special machines, other than transportation equipment, such as steam shovels, pile drivers, etc., and other labor saving machines; also expenditures for rental, maintenance, and operation of such machines owned by others. When a construction job requires the purchase of special machines, the cost thereof, less the appraised or salvage value at the time of release from the job, shall be included in the cost of the project.

(10) "Interest during construction" includes the amount of interest upon all moneys, including the company's own funds, used in the acquisition or construction of telephone property and shall be charged to the accounts appropriate for the cost of the property acquired or constructed as follows:

(i) Reasonable amounts for interest during the construction period (before the property is received or is completed ready for telephone service) on general funds expended for the acquisition or construction of telephone plant shall be charged to the telephone plant accounts and credited to account 313, "Interest income."

(ii) When funds, derived from the sale of bonds, notes, and other interest-bearing debt, are specifically acquired and separately held for use in the construction of telephone plant, the total interest, discount, or premium, and expense on such debt, less interest earned on such funds, applicable to the accounting pe-

riod shall be included in the cost of telephone plant and credited to account 313, "Interest income," provided, however, that no interest charge for a longer period than 6 months prior to the commencement of construction work shall be made unless specifically authorized by this Commission.

(iii) During a period of suspension of a construction project no interest charge for a longer period than 6 months from the date of its suspension shall be included in these accounts unless specifically authorized by this Commission. No such interest charges shall be included in these accounts on expenditures for construction projects which have been definitely abandoned.

(11) "Insurance" includes premiums paid or amounts credited to account 169, "Insurance reserve," for the protection against loss and damages in connection with the construction of telephone plant due to fire or other casualty, injury to or death of employees or others, damages to property of others, defalcations of employees and agents, and the nonperformance of contractual obligations of others. (Note also account 668.)

(12) "Construction services" includes the cost of telephone, electricity, power, construction quarters, office space and equipment allocated to the construction project; also similar items furnished by the company through its regular operating facilities.

§ 31.2-22A *Overhead construction costs.* (a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting company, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or items on the basis of the amounts of such overheads applicable thereto, to the end that each job or item shall bear its equitable proportion of such costs and that the entire cost of the item, both direct and indirect, shall be deducted from the plant accounts at the time the item of plant is retired.

(b) The records supporting the entries for overhead construction costs shall be kept so as to show the nature of the expenditures, the individual jobs and accounts charged, and the bases of the distribution. The amounts charged to each plant account for overhead costs shall be available without detailed analysis.

(c) The instruction contained herein shall not be interpreted as permitting the addition to plant accounts of arbitrary percentages or amounts to cover assumed overhead costs, but as requiring the assignment to particular jobs and accounts of actual and necessary overhead expenditures as stated in paragraph (a) of this section.

§ 31.2-23 *Improvements to leased telephone plant.* (a) Except as provided in paragraph (b) of this section the cost of initial improvements (including repairs, rearrangements, additions, and betterments) to telephone plant leased from others made in the course of preparing the property for service and the cost of any subsequent additions and betterments of the leased telephone plant

shall be charged to the telephone plant account appropriate for the class of property leased, unless the leasing arrangements provide that specific improvements shall be made to the leased property by the lessee and that such improvements shall revert to the lessor and constitute a part of the consideration paid for the use of the property. In the latter case, the cost of the improvements reverting to the lessor which represents payments for the use of the lessor's property shall be charged to account 129, "Prepaid rents," and cleared over the period of the lease to the appropriate accounts.

(b) When the improvements to leased telephone plant otherwise chargeable to the telephone plant accounts are of relatively minor cost or short life or the period of the lease is less than 1 year, the cost shall be charged to the account chargeable with the cost of repairs of such plant.

(c) When the cost of improvements to leased telephone plant is included in the telephone plant accounts, charges for depreciation thereof shall be made on such basis as will amortize the service value of such improvements during the period of their expected use.

§ 31.2-24 *Retirement units.* The "retirement units" (note also § 31.2-25 (a) (1)) are listed in § 31.8. Additions to or revisions of this list will be issued, when necessary, by this Commission, to which any applications for such additions or revisions shall be presented by the company.

§ 31.2-25 *Telephone plant retired.* To the end that the telephone plant accounts (note §§ 31.2-20, 31.2-21) shall at all times disclose the original cost (note § 31.01-3 (x)) of all property in service, the original cost of retired property, whether replaced or not (except as provided in paragraph (a) (2) of this section), shall be credited to the account or accounts in this classification to which such cost was charged. Every company shall, therefore, take such measures and establish such procedure as will insure strict compliance with these requirements. When any item of property is worn out, lost, sold, destroyed, abandoned, surrendered upon lapse of title, becomes permanently unserviceable, or is withdrawn or retired from service for any other reason, the amount in the plant accounts applicable to that item shall be credited to the appropriate plant accounts, and the retirement entry shall cite the original entry of cost of the item retired, by name and page of, or other definite identification of, book or other record in which maintained; except that, when such entry cannot be identified or is not available, that fact shall be stated in connection with the retirement entry. (Note also paragraph (d) of this section.)

(a) *Depreciable telephone plant:* For the purpose of avoiding undue refinement in accounting for the replacement of small items of property, the accounting for retirements and replacements of depreciable telephone plant shall be as follows:

(1) *Retirement units:* This group includes major items of property, a list of

which is shown in § 31.8. The original cost of any such item retired shall be credited to the plant account and charged to account 171, "Depreciation reserve," whether or not replaced. (Note also paragraph (b) of account 171.) The original cost of property installed in place of the property retired shall be charged to the appropriate telephone plant account.

(2) Minor items: This group includes any part or element which is not designated as a retirement unit. The original cost of any minor item of property retired and not replaced shall be credited to the plant account and charged to account 171 (note also paragraph (b) of the text of that account), except that if the original cost of a minor item of property is accounted for through the retirement of a retirement unit, no separate credit to the telephone plant account is required when such an item is retired. Except as provided in note under account 231, "Station apparatus," in § 31.8, if minor items of property are retired and replaced (apart from the retirement unit of which they form a part or with which they are associated) no adjustment shall be made in account 171. The cost of the replacement shall be charged to the account appropriate for the cost of repairs of the property, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, of greater durability, of greater capacity, or more economical in operation) the excess cost of the replacement over the estimated cost at current prices of replacing without betterment the minor items retired shall be charged to the appropriate telephone plant account.

(b) Station installations, drop and block wires: When stations are removed from customers' premises, the original cost of the station installations carried in account 232, "Station installations," and of any drop and block wires carried in account 233, "Drop and block wires," thereby retired from service shall be credited to the plant accounts and charged to account 607, "Station removals and changes." The latter account shall be credited with the salvage value (note § 31.01-3 (bb) of such property recovered. The cost of the removal of the station apparatus, inside, drop and block wires shall be charged to account 607.

(c) Land: The original cost of land retired shall be credited to account 211, "Land." If the land is sold, the difference between such original cost and the sale price (less commissions and other expenses of making the sale) of the land shall be credited to account 401, "Credits for telephone plant sold," or debited to account 410, "Debits for telephone plant sold," as may be appropriate. If the land is retained by the company and held for sale, its cost shall be charged to account 103, "Miscellaneous physical property." The accounting for leaseholds retired shall be as provided for in the texts of account 172, "Amortization reserve," and account 613, "Amortization of intangible property."

(d) Determination of the cost of property to be retired: The cost of telephone

plant retired shall be the amount at which such property is included in the telephone plant accounts. When it is impracticable to determine the cost of each item due to the relatively large number or small cost of such items, the average cost of all the items covered by an appropriate subdivision of the account shall be used in determining the cost of the items retired: *Provided*, That the method used in determining average cost gives due regard to the quantity, size, and kind of items, the date or period of installation, the area in which they were installed and their classification in other respects, as called for by the rules of this Commission regarding continuing property records and by the system of continuing property records accepted by this Commission specifically for use of the accounting company. This method of average cost may be applied in retirement of such items as telephones, bell boxes, station installations, poles, cross-arms, wire, cable, cable terminals, conduit, and nonmultiple private branch exchange switchboards.

(e) The accounting for the retirement of organization, franchises, patent rights, and other intangible property, shall be as provided for in the texts of account 172, "Amortization reserve," account 413, "Miscellaneous debits to earned surplus," account 613, "Amortization of intangible property," and account 100:4, "Telephone plant acquisition adjustment."

(f) When telephone plant is sold together with the telephone traffic associated therewith, the original cost of the property shall be credited to the appropriate plant accounts and the estimated amounts carried with respect thereto in the depreciation and amortization reserve accounts shall be charged to such reserve accounts. The difference, if any, between (1) the net amount of such debit and credit items and (2) the consideration received (less commissions and other expenses of making the sale) for the property shall be included, if a debit, in account 41, "Debits for telephone plant sold," and if a credit, in account 401, "Credits for telephone plant sold." The accounting for depreciable telephone plant sold without the traffic associated therewith shall be in accordance with the accounting provided in paragraph (b) of account 171, "Depreciation reserve."

§ 31.2-26 *Telephone plant continuing property record required.* (a) Not later than January 1, 1937, each company shall begin the preparation of a continuing property record with respect to property of each class represented in the several plant accounts comprised by balance-sheet account 100:1, "Telephone plant in service." Not later than July 1, 1943, each company shall also begin the preparation of a similar record with respect to property of each class represented in the several plant accounts comprised by account 100:3, "Property held for future telephone use," and with respect to property represented in account 103, "Miscellaneous physical property." These records shall be completed not later than June 30, 1946, with respect to property as at December 31, 1936, and

with respect to the changes effected therein between the dates of January 1, 1937, and December 31, 1945.

(b) Not later than June 30, 1943, each company shall file with this Commission a complete plan of the method to be used in the compilation of a continuing property record, the installation and maintenance of which is prescribed in paragraph (a) of this section. The plan shall include a list of the property-record units proposed for use, classified to conform with the plant accounts prescribed in this system of accounts. A narrative statement shall accompany the list of proposed units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuing property record, to the end that a ready analysis with respect to the sufficiency thereof may be made. In preparing this narrative statement, the companies shall include typical examples indicating the use of and relationship between the various forms and records.

(c) Any company may, in lieu of submitting the plan provided for in paragraph (b) of this section, advise the Commission not later than June 30, 1943, that it concurs in and proposes to pursue in all particulars a plan filed with the Commission by another company which it is believed conforms fully to the requirements of paragraph (b) of this section.

(d) The record shall be arranged in conformity with the plant accounts prescribed in this system of accounts. It shall be compiled on basis of original cost (or other book cost consistent with the provisions of this system of accounts). The record or data supplemental thereto shall contain such detailed description and classification of property units as will permit their ready identification and verification. It shall be so designed as to permit ready attainment of its principal objectives, such as proper and expeditious retirement accounting, facility in estimating the cost of further property changes, verification of original cost or of inventories of plant (or of other property represented in the record), and determination of mortality characteristics. The record shall accordingly reveal clearly, in relation to designated accounting areas, both detailed and systematically summarized information as to the kind, character, size, quantity, location, date of installation (if substantially different from the date of entry in the asset accounts), ownership, and actual or apportioned original (or other appropriate book) cost of the telephone plant and other units aggregately represented by the concurrent balances in accounts 100:1, "Telephone plant in service," 100:3, "Property held for future telephone use," and 103, "Miscellaneous physical property."

NOTE: See Standard Practices for the Establishment and Maintenance of Continuing Property Records by Telephone Companies having Average Annual Operating Revenues in Excess of \$2,000,000. (See Appendix B.)

TELEPHONE PLANT ACCOUNTS

§ 31.201 *Organization.* This account shall include the cost of organizing and

incorporating the company. (Note also §§ 31.1-14, 31.1-15.)

ITEMS

(Note § 31.01-8)

Amounts paid for legal services.
Amounts paid for privileges of incorporation.

Office expenses incident to organizing the company.

Special counsel and other fees and expenses in mergers, consolidations and reorganizations.

NOTE A: This account shall not include any discounts on securities issued, nor shall it include costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, sale or resale of capital stock.

NOTE B: Exclude from this account and include in account 664 the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies concerned shall not be carried over.

§ 31.202 *Franchises*. This account shall include the original cost (note § 31.01-3 (x)) of governmental franchises and similar rights running for more than 1 year which are necessary in the conduct of the company's telephone operations. It shall include amounts paid in cash and the cost of plant, material, supplies, and equipment given as the initial consideration for such franchises; cost of advertising, governmental election costs assumed by the company, and similar expenses incurred in procuring such franchises; also the original cost of franchises acquired by assignment. This account shall include amounts, other than those includible in account 201, "Organization," paid to municipalities or other governmental agencies as a condition precedent to engaging in business, whether or not the right to occupy city property, streets, and highways is obtained in connection therewith. (Note also § 31.2-22 (b) (7).)

NOTE A: The cost of franchises running for 1 year or less after acquisition shall be charged to account 673, or, if such franchises extend beyond the current year, to account 133. Franchises acquired at small cost may be charged to account 673 irrespective of their term of life.

NOTE B: Franchise taxes (payable annually or more frequently) shall be charged to account 305.

NOTE C: This account shall not include the cost of plant, material and supplies, or equipment furnished to municipalities or other governmental authorities when given other than as initial consideration for franchises or similar rights. (Note also account 673.)

§ 31.203 *Patent rights*. This account shall include the original cost (note § 31.01-3 (x)) of patent rights having a life of more than 1 year from date of acquisition for use in connection with the company's telephone operations.

NOTE: The cost of patents having an estimated service life of 1 year or less and patents acquired at small cost shall be charged to account 675.

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§ 31.207 *Right-of-way*. This account shall include the original cost (note § 31.01-3 (x)) of land, and of leaseholds, easements, and similar rights in land having a term of more than 1 year, acquired for the location of pole line, cable, wire, and conduit plant, also the cost of permits to erect poles and to place conduit when the expected period of occupancy under such permits exceeds the estimated life of the initial plant installed. It shall include the related portion of the pay and expenses of right-of-way agents and other costs of acquiring such land, rights, and permits.

NOTE A: The cost of permits to erect poles and to place conduit when the expected period of occupancy under such permits does not exceed the estimated life of the initial plant installed, also the cost of other permits not includible in this account, such as those to place cable and wire on buildings and fences, and the related pay and expenses of employees and other costs incident to acquiring such permits shall be included in the account appropriate for the cost of the property constructed. (Note also § 31.2-22 (b) (7).)

NOTE B: Annual or more frequent payments for the use of right-of-way shall be charged to account 671.

NOTE C: Payments to municipalities or other governmental agencies (exclusive of franchise taxes) as consideration for a franchise or right to conduct the company's telephone operations, whether or not the right to occupy city property, streets, and highways is obtained thereunder, shall be accounted for as franchise payments. (Note also accounts 202 and 673.)

§ 31.211 *Land*. (a) This account shall include the original cost (note § 31.01-3 (x)) of land and of leaseholds, easements, and similar rights in land having a term of more than 1 year used for general and central office buildings, garages, shops, and for storage and other telephone purposes other than right-of-way. It shall also include special assessments upon lands for the construction of public improvements. (Note also § 31.2-25 (c).)

(b) When land, together with buildings thereon, is acquired the original cost shall be fairly apportioned between the land and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of the land, and the salvage value of the buildings when disposed of shall be deducted from the cost of the land so determined. (See also Note E to this account.)

ITEMS

(Note § 31.01-8)

Assessments for the construction of public improvements. (See also Note D to this account.)

Clearing or defending title against claims relating to period prior to purchase.

Commissions and fees to brokers, agents, and others.

Condemnation proceedings, including court costs and special counsel fees.

Conveyancer and notarial fees.

Examination and registration of titles.

Grading of land not in connection with buildings.

Relocating property of others in acquisition of land.

Sidewalks on public streets abutting company's property.

Taxes assumed, accrued prior to date of acquisition.

Taxes on land during the period of construction. (Note also § 31.2-22 (b) (8).)

Voiding leases to secure possession of land acquired.

NOTE A: Annual or more frequent payments for the use of land shall be charged to the account appropriate for rents.

NOTE B: When land is acquired for which there is not a definite plan for its use in telephone service, its cost shall be charged to account 103.

NOTE C: When land is acquired in excess of that required for telephone purposes, the cost of such excess land shall be included in account 103.

NOTE D: Installments of assessments for public improvements, including interest, if any, which are deferred without option to the company shall be included in this account only as they become due and payable. Interest on assessments which are not paid when due shall be included in account 336.

NOTE E: In case land is purchased for immediate use in a construction project, its cost shall be included in account 100:2 until such time as the project involved is completed ready for service.

§ 31.212 *Buildings*. (a) This account shall include the original cost (note § 31.01-3 (x)) of buildings, and the cost of all permanent fixtures, machinery, appurtenances, and appliances installed as a part thereof. It shall include costs incident to the construction or purchase of a building and to securing possession and title.

(b) When land, together with the buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and buildings, and the amount applicable to the buildings shall be included in this account; the amount applicable to the land shall be included in account 211. (Note also account 211.)

ITEMS

(Note § 31.01-8)

Awnings.

Boilers, furnaces, fixtures, and machinery for heating, lighting, ventilating, and plumbing.

Cable vaults and conduits constructed as part of the building.

Commissions and fees to brokers, agents, architects, and others.

Door checks and door stops.

Drainage and sewerage systems.

Electric wiring.

Elevators.

Fences and hedges.

Fire-extinguisher systems.

Garages, shops, and stables.

General and central office buildings.

Grading, excavating, and preparing grounds for buildings, including laying out of grounds after construction.

Improvements to leased buildings. (Note also § 31.2-23.)

Linoleum and similar floor covering, excluding carpets and rugs.

Motors and generators.

Partitions, including movable.

Piers and foundations for machinery constructed as a permanent part of a building.

Platforms, storage or loading.

Power boards.

Refrigeration systems.

Retaining walls.

Screens, door and window.

Sheds.

Sidewalks, pavements, and driveways on building grounds.

Sprinkling systems.

Storm doors and windows.

Voiding leases to secure possession of buildings acquired.

Water, steam, and gas pipes.
Water-supply systems.
Window shades and ventilators.

NOTE A: This account shall not include the cost of any telephone equipment or wiring apparatus for generating or controlling electricity for operation of the telephone system.

NOTE B: The cost of submarine cable terminal huts shall be included in account 242:4.

§ 31.221 *Central office equipment.* (a) This account shall include the original cost (note § 31.01-3 (x)) of electrical instruments, apparatus, and equipment, other than station equipment, in central offices (including terminal and test rooms), repeater stations and test stations used in transmitting traffic and operating signals, and similar equipment in operators' schools and other centralized locations.

(b) This account shall also include the original cost of operators' chairs, wire chiefs' tools, desks and tables equipped with central office telephone equipment, and other furniture, fixtures, and equipment designed specifically for use in central offices, repeater stations, etc., or installed as a part of the electrical equipment therein. (See also Note A to this account.)

ITEMS

(Note § 31.01-8)

Aisle-lighting equipment.
Balconies for distributing frames.
Banks—connector, selector.
Batteries.
Battery cabinets.
Boards—floor alarm, power, test, service observing.
Building alterations, minor, such as opening and closing holes in ceilings, partitions, walls, and floors to permit installations of equipment, power conduit, and wiring.
Cables. (See also Note B to this account.)
Calculagraphs.
Call registers.
Carrier-current equipment.
Carrier line filters.
Circuit breakers.
Covers for transmission power apparatus.
Desks and tables when equipped with central office telephone equipment. (See also Note A of this account.)
Generators, including special foundations not a part of buildings.
Frames—alarm, connector, decoder, decoder connector, line finder, line switch, repeater, selector, sender, test.
Fuse boards.
Fuse panels.
Generators, including special foundations not a part of buildings.
Jumper wires.
Key indicator equipment.
Line filters.
Loading coils. (See also Note C to this account.)
Loudspeaker equipment.
Main and intermediate frames.
Meters.
Motors, including special foundations not a part of buildings.
Multiplex apparatus.
Operators' breastplate transmitters.
Operators' chairs.
Operators' head sets.
Platforms, not part of buildings.
Pole changers.
Power circuits for emergency use including payment for installation by others of circuits not owned.
Power panels.
Power plants.
Protectors.
Pulse machines and tone machines.

Radio transmitting and receiving equipment.

Rectifiers.
Register cabinets.
Relay racks and coil racks.
Relays.
Repeater sets.
Rheostats.
Ringing machines, including special foundations not a part of buildings.
Rolling ladders.
Switchboards and other electrical equipment used in operators' schools.
Switchboards—subscribers' "A" and "B" trunk, toll, dial system.
Switches—connector, line repeater, selector, repeater, test, distributor.
Tarpaulins.
Telegraph instruments and equipment.
Telephotographic equipment.
Teletypewriter switchboards and equipment.
Test boards.
Testing and routing central office equipment prior to assignment to service.
Testing equipment and tools, central office. (See also Note D to this account.)
Test tables.
Ticket holders.
Toll ticket carriers.
Turrets.
Water stills for battery service.

NOTE A: The cost of desks and tables not equipped with central office equipment and of kitchen and dining room equipment, chairs of the same types as used in other offices, typewriters, portable electric fans, etc., shall be charged to account 261.

NOTE B: The cost of cables leading from the main frame to outside plant shall be included in the plant account appropriate for the cost of cables with which they connect.

NOTE C: The cost of loading coils on circuits leading from the main frame to outside plant shall be included in the account charged with the cost of the circuit of which they are a part.

NOTE D: The cost of portable testing equipment and tools other than those regularly used in central offices shall be charged to account 264.

§ 31.231 *Station apparatus.* This account shall include the original cost (note § 31.01-3 (x)) of station apparatus, installed either for customers' or the company's use, excluding the cost of installation and inside wires.

ITEMS

(Note § 31.01-8)

Backboards.
Batteries, station.
Battery boxes.
Bell boxes.
Coin collectors.
Cords.
Desk sets, hand sets, and wall sets, including those used at main, extension, private branch exchange, and private line stations, etc. This includes such sets as operators' sets at private branch exchanges, order turrets and order tables, and those used in central offices and operators' schools. (See also Note A to this account.)
Dials.
Extension bells.
Hand-set mountings.
Induction coils.
Messenger, and similar signaling devices.
Printer-telegraph equipment.
Program-supply equipment.
Public-address equipment.
Receivers.
Signal cases.
Station switching and signaling devices, including apparatus cabinets, keys, key cabinets, and devices used with intercommunicating systems.

Telegraph equipment.
Teletypewriter equipment.
Transmitters.

NOTE A: Operators' head sets and breastplate transmitters in central offices and at private branch exchanges and test sets such as those used by wire chiefs, linemen, and others, shall be included in accounts 221, 234, and 264, as appropriate.

NOTE B: The cost of station protectors is includible in account 232.

§ 31.232 *Station installations.* (a) This account shall include the original cost (note § 31.01-3 (x)) of installing station apparatus and of inside wires. Inside wires include:

(1) The wires (or small cables) from the station apparatus to the point near the entrance to the building where the drop or block wire or cable terminates, or to the junction boxes where the house cable or other cable terminates.

(2) The wires (or small cables) used to connect station apparatus in the same building, such as main stations with extension stations, and stations of intercommunicating systems.

(3) The wires (or small cables) used to connect private branch exchange switchboards or their distributing frames with terminal stations located in the same building.

(b) This account shall include the cost of clamps, cleats, connecting blocks, ground wires, ground rods, nails, station protectors, screws, and other material used in the installation of station apparatus and inside wires.

NOTE A: Costs chargeable to this account in connection with cables are restricted to small cables used in station installations instead of wires, such as those run from wall outlets or floor terminals to the station apparatus. The cost of other inside cables, including riser and distributing cables in buildings, which by their physical character, method of installation, and permanence constitute house cables, is chargeable to account 242:1.

NOTE B: The cost of inside wires (or small cables) installed specifically to serve as trunk, battery, or generator circuits from a private branch exchange to the point of connection with the permanent house or outside cables or wires shall be charged to account 234.

§ 31.233 *Drop and block wires.* (a) This account shall include the original cost (note § 31.01-3 (x)) of drop and block wires or service connections, i. e., the portion of a customer's circuit (whether aerial or underground) extending from the inside wire (usually at the station protector or connecting block) or from the station equipment when no inside wire is involved, to the point of connection with the general overhead or underground system. This includes such circuit, carried by means of wire or small cables, extending to the cable terminal in cases where connection is made with a general cable system, or to the point of connection with the aerial wire plant in cases where connection is made with a general wire system. The company shall exercise such precautions as are necessary to prevent credits to this account for aerial wire removed.

(b) This account shall also include the original cost of brackets, bridle rings, insulators, knobs, span clamps, screws, sleeves, strand, tubes, and other

material used in the installation of drop and block wires; the cost of trimming trees and other costs incurred in the installation of such wires; the cost of pipes or other protective covering for underground service connections; and the cost of permits and privileges for construction.

§ 31.234 *Private branch exchanges.* This account shall include the original cost (note § 31.01-3 (x)) of private branch exchange equipment installed either for customers' or the company's use.

ITEMS

(Note § 31.01-8)

Attendants' cabinets or cordless switchboards.
Cable or wires from distributing frame to switchboard.
Code call units.
Code sending sets.
Dial system branch exchanges.
Distributing frames.
Inside wires (or small cables used instead of wires) installed specifically to serve as trunk, generator, or battery circuits from a private branch exchange to the point of connection with the permanent house or outside cables or wires.
Operators' chairs.
Operators' head sets and breastplate transmitters.
Order receiving tables.
Order turrets.
Power equipment, including special foundations.
Protectors.
Switchboards.

NOTE A: The cost of riser and distributing cables in buildings other than central offices, which by their physical characteristics, method of installation, and permanence constitute regular house cables shall be charged to account 242:1.

NOTE B: The cost of poles, wires, and cables, whether or not on private property, used to connect the private branch exchange with the terminal stations shall be charged to the pole, wire, and cable accounts.

NOTE C: The cost of cross-connection boxes installed as a part of the house cable system, including those used as the distributing frames for private branch exchanges, shall be charged to account 242:1.

§ 31.235 *Booths and special fittings.* This account shall include the original cost (note § 31.01-3 (x)) of telephone booths and special fittings (exclusive of station apparatus) such as attendants' desks (including equipment or switchboards), counters, railings, chairs, fans, cash registers, directory tables, stands or shelves, and public telephone signs.

§ 31.241 *Pole lines.* This account shall include the original cost (note § 31.01-3 (x)) of poles, crossarms, guys, and other material used in the construction of pole lines.

ITEMS

(Note § 31.01-8)

Anchors.
A and H fixtures.
Bolts.
Braces, pole and back.
Bridge fixtures.
Cable arms.
Clearing routes and tree trimming except maintenance of previous clearings. (Note also account 602:1.)
Crossarms.
Extension arms.
Guard arms.
Guy clamps.

Guy stubs.
Guy wire or strand.
Painting, treating, galling, roofing, shaving, and stenciling poles.
Permits and privileges for construction. (Note also account 207 and § 31.2-22 (b) (7).)
Pins.
Pole brackets, wooden.
Poles.
Pole steps.
River crossing and long span fixtures.
Strain insulators.
Towers.

§ 31.242:1 *Aerial cable.* This account shall include the original cost (note § 31.01-3 (x)) of aerial cable and other material used in the construction of such cable.

ITEMS

(Note § 31.01-8)

Bonds and grounds.
Cable—block, feeder, main, subsidiary.
Cable—house, including riser and distributing cables extending to floor terminal boxes, cross-connection boxes at wall outlets, etc., where connection is made with inside wires.
Cable clamps.
Cable rings.
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Floor terminal boxes and cross-connection boxes at wall outlets.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside cable.
Negative returns.
Permits and privileges for construction. (Note also account 207.)
Pole seats and balconies.
Pressure contactor-terminals.
Protectors and arresters.
Safety straps.
Sleeves.
Strand, suspension.
Tree guards.
Trolley guards.

NOTE A: House cables are considered to be extensions of aerial cable plant. They do not include the inside wires extending from terminal boxes of house cables to subscribers' stations which are included in account 232, or the cables for subscribers' private branch exchange switchboards which are included in account 234.

NOTE B: The company's records shall be kept so that the miles of wire in aerial cable may be shown in the annual reports to this Commission.

§ 31.242:2 *Underground cable.*¹ This account shall include the original cost (note § 31.01-3 (x)) of underground cable and other material used in the construction of such cable.

ITEMS

(Note § 31.01-8)

Bonds and grounds.
Cable—feeder, main, subsidiary.
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Electrolysis surveys made in the course of installing cable.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside cable.

¹ In conduit.

Negative returns.

Permits and privileges for construction. (Note also account 207.)
Pressure contactor-terminals.
Protectors and arresters.
Pumping out and cleaning manholes and ducts in underground cable construction work. (See also Note A to this account.)
Sleeves.
Splicing boxes.
Strand, suspension.

NOTE A: The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with the maintenance or operation of telephone plant shall be charged to account 602:4 or 602:7, as appropriate.

NOTE B: The cost of small cables used in station installations instead of wires, such as those run from wall outlets or floor terminals to the station apparatus, shall be charged to account 232. The cost of small cables used as drop wires shall be included in account 233.

NOTE C: The cost of cable leading from central office main frames to other central office equipment shall be charged to account 221.

NOTE D: House cables are considered to be extensions of aerial cable plant. They do not include the inside wires extending from terminal boxes of house cables to subscribers' stations which are included in account 232, or the cables for subscribers' private branch exchange switchboards which are included in account 234.

NOTE E: The company's records shall be kept so that the miles of wire in underground cable may be shown in the annual reports to the Commission.

§ 31.242:3 *Buried cable.* This account shall include the original cost (note § 31.01-3 (x)) of buried cable and other material used in the construction of such cable.

ITEMS

(Note § 31.01-8)

Cable—feeder, main.
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside cable.
Negative returns.
Permits and privileges for construction. (Note also account 207.)
Pressure contactor-terminals.
Protective covering for buried cable, i. e., cable not run in regular conduit, such as fiber or other material (except when constructed so as to be reusable in place for other cable) and the cost of manholes, etc., designed specifically for use in such construction.

Protectors and arresters.
Pumping out and cleaning manholes in buried cable construction work. (See also Note A to this account.)

Sleeves.
Splicing boxes.
Trenching for and burying cable not run in regular conduit.

NOTE A: The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with the maintenance or operation of telephone plant shall be charged to account 602:4 or 602:7, as appropriate.

NOTE B: The company's records shall be kept so that the miles of wire in buried cable may be shown in the annual reports to this Commission.

§ 31.242:4 *Submarine cable.* This account shall include the original cost (note § 31.01-3 (x)) of submarine cable

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and other material used in the construction of such cable.

ITEMS

(Note § 31.01-8)

Cable—feeder, main.
Cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction.
(Note also account 207.)
Pressure contactor-terminals.
Protectors and arresters.
Sleeves.
Submarine cable terminal huts.

NOTE: The company's records shall be kept so that the miles of wire in submarine cable may be shown in the annual reports to this Commission.

§ 31.243 *Aerial wire.* This account shall include the original cost (note § 31.01-3 (x)) of aerial wire other than drop and block wires, including insulators, tie wires, and other material used in the construction of aerial wire plant. The company shall exercise such precautions as are necessary to prevent credits to this account for drop and block wires removed.

ITEMS

(Note § 31.01-8)

Bridle rings.
Bridle wire.
Ground wire, clamps, and rods.
Insulators and thimbles.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction.
(Note also account 207.)
Protectors and arresters.
Repeating coils.
Tie wires.
Transposition brackets.
Transposition of the circuits in initial construction work and any additions or betterments resulting from transposing or retransposing existing circuits.

NOTE: The cost of drop and block wires shall be included in account 233.

§ 31.244 *Underground conduit.* This account shall include the original cost (note § 31.01-3 (x)) of tile, pipe, and other conduit, whether underground, in tunnels or on bridges, and of manholes, handholes, and service boxes, including cable racks and other furnishings thereof, and the cost of riser pipe. It shall include the cost of opening trench and repaving in the construction of such plant and the cost of permits and privileges for construction. (Note also account 207.)

NOTE A: The cost of protective covering for buried cable, i. e., cable not run in regular conduit, such as fibre or other material (except when constructed so as to be reusable in place for other cable) and the cost of trenching, manholes, etc., designed specifically for use in such construction shall be charged to account 242.3.

NOTE B: The cost of pipes or other protective covering for underground drop and block wires or service connections shall be included in account 233.

§ 31.261 *Furniture and office equipment.* This account shall include the original cost (note § 31.01-3 (x)) not provided for in other accounts, of furniture and equipment in offices, storerooms, shops, and other quarters. (Note also accounts 221, 234, and 235 and § 31.2-20 (d).)

ITEMS

(Note § 31.01-8)

Beds, cots, and couches.
Bins, counters, and shelves.
Bookcases.
Cabinets and filing cases.
Cages, cashiers'.
Chairs, carpets, and rugs.
Clocks.
Davenport.
Desks.
Equipment in rest, dining, recreation, and medical rooms.
Fans, electric, portable.
Fire-extinguisher equipment, portable.
Floor-scrubbing and polishing machines.
Gas and electric fixtures, portable.
Lockers and wardrobes, portable.
Mirrors, portable.
Motion-picture equipment.
Office devices, including addressing, billing, blueprinting, computing, dating, duplicating, mailing, photostat and recording machines, cash registers, check writers, postage meter machines, typewriters, etc.
Pianos and phonographs.
Radio sets.
Racks—magazine, newspaper, umbrella, and clothing.
Refrigerators, portable.
Safes.
Sewing machines.
Stoves.
Switchboards, special type public demonstration.
Tables.
Vacuum sweepers.
Vending machines.
Water coolers.

NOTE: The cost of fixtures attached to and constituting a part of buildings shall be charged to account 212.

§ 31.264 *Vehicles and other work equipment.* This account shall include the original cost (note § 31.01-3 (x)) of vehicles, tools, garage and shop machinery and equipment, and miscellaneous work equipment not provided for in other accounts. (Note also § 31.2-20 (d).)

ITEMS

(Note § 31.01-8)

Air compressors.
Automobiles, motor trucks and tractors, including those equipped with earth-boring machines, pumps, winches, etc.
Blowers, power.
Carts, cable splicers'.
Camp wagons, cars and mounted kitchens.
Compressed air tools.
Concrete mixers and breakers.
Derricks.
Draft animals.
Drills and hammers, power.
Earth-boring machines.
Forges.
Gasoline and oil pumps, portable.
Hand tools.
Hand trucks.
Harness.
Lathes.
Loaders, power.
Motorboats and barges.
Motorcycles and bicycles.
Motors and generators.
Planers.
Pole-treating apparatus, chemical.
Pumps.
Tamping and back-filling machines.
Tents, cable splicers'.
Testing equipment, portable. (See also Note B to this account.)
Torches.
Trailers.
Trenching machines.
Wagons.
Winches, power.
Wire-measuring machines.

NOTE A: The cost of chairs, desks, tables, etc., in garages and shops shall be charged to account 261.

NOTE B: The cost of testing equipment and tools regularly used in central offices shall be charged to account 221.

§ 31.276 *Telephone plant acquired.* This account shall be charged temporarily with the cost of acquisition (i. e., amount of money actually paid or the current money value of any consideration other than money exchanged for telephone plant, together with the preliminary expenses incurred in connection with the acquisition) of telephone plant pending distribution to the primary telephone plant accounts and to other accounts. (Note also §§ 31.2-21, 31.02-82.)

§ 31.277 *Telephone plant sold.* This account shall be credited temporarily with the original cost (note § 31.01-3 (x)) at the time of retirement of telephone plant sold pending determination of the amounts to be credited to the primary telephone plant accounts. (Note also § 31.2-25 (f).)

NOTE: In connection with completing the accounting for telephone plant sold, appropriate adjustments shall be made with respect to any related depreciation accruals.

INSTRUCTIONS FOR INCOME ACCOUNTS

§ 31.3-30 *Purpose of income accounts.* The income accounts (300 to 343, inclusive) are designed to show as nearly as practicable for each calendar year the total operating revenues and operating expenses of the company; the returns accrued upon securities owned and from property not used in the company's operations; the amounts accrued for taxes, use of moneys, and use of operating properties of others; and reservations and appropriations of income. (Note also §§ 31.01-4 to 31.01-6.)

§ 31.3-31 *Income from sinking and other funds.* When interest and other income arising from funds carried in account 104, "Sinking funds," account 136, "Provident funds," or account 137, "Insurance and other funds," (note also account 314) are required by the mortgage or other provisions to be held in the funds, they shall be charged to those accounts. If such funds are represented by a reserve established through reservations of income or earned surplus, amounts so set aside shall be charged to account 342, "Contractual reservations of income," account 343, "Miscellaneous reservations of income," account 414, "Contractual reservations of earned surplus," or account 415, "Miscellaneous reservations of earned surplus," and credited to account 169, "Insurance reserve," account 170, "Provident reserve," account 173, "Employment stabilization reserve," or account 180, "Earned surplus reserved," as may be appropriate.

INCOME ACCOUNTS

TELEPHONE OPERATING INCOME

§ 31.300 *Operating revenues.* This account shall include the total revenues for the accounting period which are provided for in the operating revenue accounts 500 to 530, inclusive. (Note also § 31.01-2 (d).)

§ 31.301 Operating expenses. This account shall include the total expenses for the accounting period which are provided for in the operating expense accounts 602:1 to 677, inclusive. (Note also § 31.01-2 (d).)

§ 31.302 Rent from lease of operating property. (a) This account shall include rents from the exclusive use of telephone operating property held as a whole and operated by others, such as a complete telephone plant, a complete exchange, or a complete toll system.

(b) Rents are creditable to this account whether receivable in cash or disbursed by the lessee in behalf of the company as taxes on the rented property, interest on funded debt, guaranteed dividends on stock, or otherwise.

NOTE: The rent from property the cost of which is includible in account 103 shall be included in account 315.

§ 31.303 Rent for lease of operating property. (a) This account shall include rents for the exclusive use of telephone operating property held as a whole and operated by the company, such as a complete telephone plant, a complete exchange, or a complete toll system.

(b) This account shall include also taxes borne by the lessee of property, the rent for which is chargeable to this account.

(c) Rents are chargeable to this account whether payable in cash or disbursed by the lessee in behalf of the lessor as taxes on the rented property, interest on funded debt, guaranteed dividends on stock, or otherwise.

NOTE A: If leased telephone plant the rent for which is chargeable to this account is sublet to others, the rent receivable therefrom shall be credited to the account appropriate for rent from owned property of the same class.

NOTE B: Rents payable for property used by the company for other than telephone operations shall be included in account 315.

NOTE C: Charges for depreciation of telephone operating property leased as a whole and operated by the company shall be included in account 608 or clearing accounts, as appropriate, on the same basis as for owned property (note also § 31.02-81) when the company is responsible for depreciation under the terms of the lease.

§ 31.305 Operating taxes. (a) This account shall include all Federal, State, county, municipal, and other taxing-district taxes, including franchise taxes payable annually or more frequently, relating to telephone plant, operations, and privileges for the period for which the income account is stated. Taxes accrued through this account prior to their payment shall be credited to account 166, "Taxes accrued." (Note also § 31.2-22 (b) (8).)

(b) Taxes on leased telephone plant shall be included in this account by the owner. Any taxes on rented telephone plant which are borne by the lessee shall be appropriately credited by the owner to account 524, "Rent revenues," or account 302, "Rent from lease of operating property," and charged by the lessee to account 671, "Operating rents," or account 303, "Rent for lease of operating property."

NOTE A: Taxes other than those on telephone plant, operations, and privileges shall be charged to account 322.

NOTE B: Special assessments for street and other improvements and special benefit taxes, such as water taxes and the like, shall be included in the operating expense accounts or investment accounts, as may be appropriate.

NOTE C: Discounts allowed for prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

NOTE D: Interest on tax assessments which are not paid when due shall be included in account 336.

NOTE E: The accounting for taxes on physical property during construction and before the facilities are completed ready for service shall be in accordance with § 31.2-22 (b) (8).

NOTE F: Taxes paid by the company under tax-free covenants on indebtedness shall be charged to account 340.

OTHER INCOME

§ 31.312 Dividend income. (a) This account shall include dividends on stock, the income from which is the property of the company, whether such stock is owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds, see Note B to this account), or controlled through lease, or otherwise.

(b) Dividends shall not be credited to this account before actual collection, unless their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

NOTE A: These accounts shall not include dividends or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

NOTE B: Dividends on stocks of other companies held in sinking or other funds shall be credited to account 314.

§ 31.313 Interest income. (a) This account shall include interest on securities, including notes and other evidences of indebtedness, the income from which is the property of the company, whether such securities are owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds, see Note B to this account), or controlled through lease, or otherwise. It shall include also interest on bank balances, certificates of deposits, open accounts, and other analogous items.

(b) Interest shall not be credited to this account before actual collection, unless its payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

(c) This account shall be credited with such amounts as are charged to the telephone plant accounts for interest on funds expended for construction purposes, as provided in § 31.2-22 (b) (10).

(d) There may be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and date of maturity, the difference between the purchase price and the par value of securities owned, the income from which is includible in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any

such difference remaining unextinguished at the sale or upon the maturity and satisfaction of such securities shall be cleared to account 413, "Miscellaneous debits to earned surplus," or account 402, "Miscellaneous credits to earned surplus."

NOTE A: These accounts shall not include interest or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

NOTE B: Interest on cash and on securities issued by others shall be included in account 314 when such assets are held in sinking or other funds.

NOTE C: Cash discounts on bills for material purchased shall not be included in this account. (Note also account 122.)

§ 31.314 Income from sinking and other funds. (a) This account shall include the income accrued on cash, securities issued by other companies, and other assets (not including securities issued or assumed by the company) held in sinking and other funds.

(b) There may be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the difference between the purchase price and the par value of securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such difference remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to account 413, "Miscellaneous debits to earned surplus," or account 402, "Miscellaneous credits to earned surplus."

NOTE: Income from sinking and other funds required to be held in such funds and credits to reserve accounts representing income from funds shall be accounted for as provided in § 31.3-31.

§ 31.315 Income from miscellaneous physical property. This account shall include the net balance of the revenues from and the expenses (including depreciation and insurance) of physical property the cost of which is includible in account 103, "Miscellaneous physical property," and also of physical property of others leased and used by the company for other than telephone operations. The rent for leased property which is used by the company for other than telephone operations, assessments when borne by the company for maintenance of public improvements against property the cost of which is includible in account 103, and directly assignable administration expenses incident to operation of miscellaneous physical property, shall be included in this account.

NOTE A: Net credit balances shall be shown in the income statement of the report to this Commission in black and net debit balances in red.

NOTE B: Taxes on miscellaneous physical property shall be included in account 322.

§ 31.316 Miscellaneous income. This account shall include all items, not provided for elsewhere, properly creditable to income.

ITEMS TO BE CREDITED

(Note § 31.01-8)

Fees collected in connection with the exchange of coupon bonds for registered bonds.

Profits from the telephone operations of other companies realized by the company under contracts.

Profits realized from custom work performed for others not incident to the company's telephone operations.

MISCELLANEOUS DEDUCTIONS FROM INCOME

§ 31.322 *Miscellaneous taxes.* This account shall include all taxes not provided for elsewhere, such as taxes on miscellaneous physical property. (Note also § 31.2-22 (b) (8).) Taxes accrued through this account prior to their payment shall be credited to account 166, "Taxes accrued."

NOTE A: Special assessments for street and other improvements and special benefit taxes such as water taxes and the like shall be included in the operating expense accounts or investment accounts as may be appropriate.

NOTE B: Discounts allowed for the prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

NOTE C: Interest on tax assessments which are not paid when due shall be included in account 336.

§ 31.323 *Miscellaneous income charges.* This account shall include all items not provided for elsewhere properly chargeable to income.

ITEMS TO BE CHARGED

(Note § 31.01-8)

Contributions for charitable or social or community welfare purposes.

Current expenses of trustees in maintaining and administering trusts incident to outstanding debt of the company.

Uncollectible amounts previously credited to accounts 312 to 316, inclusive. (See also § 31.1-11 and note to account 530.)

FIXED CHARGES

§ 31.335 *Interest on funded debt.* (a) This account shall include the current accruals of interest on all classes of debt the principal of which is includible in account 154:1, "Funded debt," and account 155, "Receivers' certificates," except interest provided for in account 341, "Contingent interest on funded debt." (Note also § 31.2-22 (b) (10).) It shall also include the interest on funded debt the maturity of which has been extended by specific agreement.

(b) This account shall be kept so that the interest on each class of funded debt and on receivers' certificates may be shown separately in the annual reports to this Commission.

NOTE A: These accounts shall not include charges for interest on funded debt issued or assumed by the company and held by or for it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other funds.

NOTE B: Interest expressly provided for and included in the face amount of securities issued shall be charged at the time of issuance to account 133 and cleared to this account as the term expires to which the interest applies.

§ 31.336 *Other interest deductions.* (a) This account shall include all interest deductions not provided for elsewhere. Discount, premium, and expense on notes maturing 1 year or less from date of

issue shall be included in this account in equal monthly installments throughout the term of the notes or included herein at the time such notes are issued. (Note also § 31.2-22 (b) (10).)

(b) A list of representative items of indebtedness follows, the interest on which is chargeable to this account (note § 31.01-8):

Advances from affiliated companies. (Note also account 156.)

Advances from nonaffiliated companies and other liabilities included in account 157.

Assessments for public improvements past due.

Bond coupons, matured and unpaid.

Capital-stock and funded-debt subscriptions, receipts for installments on.

Claims and judgments.

Customers' deposits.

Funded debt matured, with respect to which a definite agreement as to extension has not been made.

Notes payable on demand or maturing 1 year or less from date of issue.

Open accounts.

Tax assessments, past due.

NOTE: Interest payable on notes or other evidences of indebtedness maturing serially shall be charged to account 335 if any portion of the obligation matures more than 1 year from date of issue.

§ 31.338 *Amortization of discount on long-term debt.* This account shall include during each month such proportion of the unamortized debit balance in each particular discount, premium, and debt expense account for actually outstanding long-term debt as is applicable to that period. This proportion shall be determined in accordance with § 31.1-15.

§ 31.339 *Release of premium on long-term debt—Cr.* This account shall include during each month such proportion of the unextinguished credit balance in each particular discount, premium, and debt expense account for actually outstanding long-term debt as is applicable to that period. This proportion shall be determined in accordance with § 31.1-15.

§ 31.340 *Other fixed charges.* This account shall include all items of fixed charges not provided for elsewhere properly chargeable to income of the accounting period, such as taxes paid by the company under tax-free covenants on indebtedness.

CONTINGENT INTEREST

§ 31.341 *Contingent interest on funded debt.* This account shall include accrued interest payable on funded debt, when a claim against income after fixed charges and prior to the interests of stockholders in the earnings of the company, such as interest on income bonds.

DISPOSITION OF NET INCOME

§ 31.342 *Contractual reservations of income.* This account shall include reservations chargeable to income, when specifically required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (Note also § 31.3-31.)

NOTE A: Reservations of income resting in the discretion of the company (i. e., not required by mortgages, contracts, etc.) shall be charged to account 343.

NOTE B: Amounts charged to this account shall be concurrently credited to the appropriate reserve accounts.

§ 31.343 *Miscellaneous reservations of income.* This account shall include reservations of income for purposes not provided for elsewhere and not specifically required under terms of mortgages, contracts, etc. It shall include appropriations for investment in telephone plant, and income reserved at the company's discretion on account of rate litigations, etc. (Note also § 31.3-31.)

NOTE: Amounts charged to this account shall be concurrently credited to the appropriation reserve accounts.

INSTRUCTIONS FOR EARNED SURPLUS ACCOUNTS

§ 31.4-40 *Purpose of earned surplus accounts.* The earned surplus accounts (400 to 416, inclusive) are designed to show the changes in the company's earned surplus or deficit during each calendar year resulting from (a) the operations and other transactions during that period reflected in income accounts, (b) appropriations or other reservations of earned surplus for specific purposes, (c) accounting adjustments not properly attributable to the period (note also § 31.01-5), and (d) miscellaneous losses and gains not provided for elsewhere. The balance of the earned surplus accounts (400 to 416, inclusive) shall be closed into account 181, "Unappropriated earned surplus," at the end of each calendar year.

EARNED SURPLUS ACCOUNTS

§ 31.400 *Income balance.* An account, under this designation, shall be maintained in the general books of the company. The balance of all income primary accounts (300 to 343, inclusive) shall be closed into this account at the end of each calendar year.

§ 31.401 *Credits for telephone plant sold.* This account shall include amounts creditable to earned surplus in accordance with §§ 31.2-25 (c), 31.2-25 (f), in connection with the sale of telephone plant.

§ 31.402 *Miscellaneous credits to earned surplus.* This account shall include amounts creditable to earned surplus not provided for elsewhere. Among the items which shall be credited to this account are (Note § 31.01-8):

Amount of adjustments arising from transactions in the company's own capital stock which are not includible in account 179. (Note § 31.1-13 (d), (e), (f).)

Amounts of the credit balance at the time of its reacquirement in the discount, premium, and debt expense account relating to long-term debt reacquired. (Note § 31.1-15.)

Amounts received for abrogation of contracts.

Credits for amounts previously written off through charges to earned surplus.

Credits from adjustments in connection with the reacquisition of bonds and other evidences of debt. (Note also § 31.1-13 (b).)

Delayed credit to income, operating revenue, and operating expense accounts as provided in § 31.01-5.

Forfeitures of amounts deposited with the company under options for the sale or lease of property.

Profits arising from foreign exchange. (Note § 31.01-7.)

Profits derived from the resale of company securities owned other than capital stock.

Profits derived from the sale of securities of other companies.

Profits derived from the sale of unexpired leases.

Profits from the sale of land carried in account 103 and of depreciable property in account 103 not previously used in telephone service. (Note also account 174.)

Unclaimed dividends.

Unclaimed wages and vouchered accounts written off.

§ 31.410 Debits for telephone plant sold. This account shall include amounts chargeable to earned surplus in accordance with § 31.2-25 (c), (f), in connection with the sale of telephone plant.

§ 31.413 Miscellaneous debits to earned surplus. This account shall include amounts chargeable to earned surplus not provided for elsewhere. Among the items which shall be charged to this account are (Note § 31.01-8):

Amortization, at the company's option of the balance in account 201.

Amortization not provided for elsewhere.

Amount of adjustments arising from transactions in the company's own capital stock which are not includible in account 179. (Note § 31.1-13 (d), (e), (f).)

Amounts charged to earned surplus to cover past accrued depreciation not provided for. (Note also account 171.)

Amounts charged to earned surplus to extinguish, at the company's option, all or any part of the debit balance remaining in any particular discount, premium, and debt expense account for long-term debt actually outstanding. (Note § 31.1-15.)

Amounts charged to earned surplus in recognition of the decline in value of current assets and securities owned. (Note §§ 31.1-11, 31.1-12.)

Amounts of capital-stock expense written off which are not includible in account 179. (Note account 134:2.)

Amounts of the debit balance at the time of its reacquisition in the discount, premium, and debt expense account relating to long-term debt reacquired. (Note § 31.1-15.)

Amounts paid for abrogation of contracts. Appropriations to nonpar stock accounts. (Note § 31.1-16a.)

Debits resulting from adjustments required in connection with the reacquisition of bonds and other evidences of debt. (Note § 31.1-13.)

Delayed debits to income, operating revenue, and operating expense accounts as provided in § 31.01-5.

Forfeiture of amounts deposited by the company under options for the purchase or lease of property.

Inventory, appraisal, and other costs incident to the contemplated acquisition, sale or lease of property when the projects are abandoned.

Losses arising from foreign exchange. (Note § 31.01-7.)

Losses of funds due to bank failures.

Losses resulting from the resale of company securities owned other than capital stock.

Losses resulting from the sale of land carried in account 103 and losses resulting from the sale, destruction, or retirement of depreciable property carried in account 103 not previously used in telephone service. (Note account 174.)

Losses resulting from the sale of securities of other companies.

Payments of amounts previously written off through credits to earned surplus.

Penalties and fines paid on account of violations of statutes pertaining to regulation.

Uncollectible receivables, or provisions therefor, not chargeable to other accounts.

§ 31.414 Contractual reservations of earned surplus. This account shall include reservations chargeable to earned surplus when specifically required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (Note also § 31.3-31.)

NOTE A: Reservations of earned surplus resting in the discretion of the company (i. e., not required by mortgages, contracts, etc.) shall be charged to account 415.

NOTE B: Amounts charged to this account shall be concurrently credited to the appropriate reserve accounts.

§ 31.415 Miscellaneous reservations of earned surplus. This account shall include reservations of earned surplus for purposes not provided for elsewhere and not specifically required under terms of mortgages, contracts, etc. It shall include appropriations for investment in telephone plant and earned surplus reserved at the company's discretion on account of rate litigations, etc. (Note also § 31.3-31.)

NOTE: Amounts charged to this account shall be concurrently credited to the appropriate reserve accounts.

§ 31.416 Dividend appropriations. (a) This account shall include dividends on capital stock actually outstanding.

(b) If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

(c) This account shall be kept so that the dividends on each class of capital stock may be shown separately in the annual reports to this Commission.

NOTE: These accounts shall not include charges for dividends on capital stock issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds.

INSTRUCTIONS FOR OPERATING REVENUE ACCOUNTS

§ 31.5-50 Purpose of operating revenue accounts. (a) The operating revenue accounts (500 to 530, inclusive) are designed to show the amounts of money which the company becomes lawfully entitled to receive, less uncollectible revenues, from the furnishing of telephone service (including operations incidental thereto). Credits to the various revenue accounts shall be based upon the actual amounts chargeable for services rendered by the company. It is not required

that undetermined amounts of revenue at pay stations, lost through fire, theft, or collection of slugs or coins having no legal tender value shall be included in the operating revenue accounts. (Note also §§ 31.01-4 to 31.01-6, and account 650.)

(b) In addition to monthly service charges, the operating revenue accounts appropriate for the class of service involved shall be credited with:

(1) Amounts charged for connection, restoration and termination of service, and for inside moves, outside moves, instrument changes, and similar service requirements.

(2) Amounts of initial nonrecurring charges for plant or equipment, furnished in rendering service to a customer, includible in accounts 231, 232, 233, 234, and 235, except initial charges based on the cost of specially assembled private branch exchanges, order receiving tables, and order turrets includible in account 234. (Note § 31.2-20 (b) and Note A thereto.)

(3) Amounts of service charges for supplemental or auxiliary equipment furnished in rendering service to a customer—for example, extension stations, auxiliary receivers, auxiliary signals, code calling and conference equipment, etc.

(c) The classification of operating revenues provides separate accounts for local revenue and for toll revenue. In case it is necessary to apportion the revenue between these accounts, the company shall be prepared when so required by this Commission to furnish the basis used in making such apportionment.

§ 31.5-51 Deductions from revenues. Discounts allowed customers for prompt payment, corrections of overcharges, authorized refunds of overcollections theretofore credited, authorized refunds and adjustments on account of failure in service, and other corrections shall be charged to the revenue account previously credited with the amounts involved.

§ 31.5-52 Commissions. (a) Commissions paid to employees or others in place of salaries or other compensation for services rendered, such as public telephone commissions, shall be charged to the appropriate expense accounts and not to the revenue accounts.

(b) Originating and other commissions representing divisions of operating revenues between telephone companies shall be accounted for through the appropriate operating revenue accounts.

OPERATING REVENUE ACCOUNTS

(Note particularly §§ 31.01-1 (c), 31.01-4, 31.01-5, and 31.01-6)

ACCOUNTS FOR CLASS A COMPANIES

LOCAL SERVICE REVENUES

Account No.	
500	Subscribers' station revenues.
501	Public telephone revenues.
503	Service stations.
504	Local private line services.
506	Other local service revenues.

TOLL SERVICE REVENUES

510	Message tolls.
512	Toll private line services.
516	Other toll service revenues.

ACCOUNTS FOR CLASS B COMPANIES

LOCAL SERVICE REVENUES

Account No.	
500	Local service revenues.

TOLL SERVICE REVENUES

510	Toll service revenues.
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OPERATING REVENUE ACCOUNTS—Continued

ACCOUNT FOR CLASS A COMPANIES—Con.

MISCELLANEOUS REVENUES

Account
No.

- 521 Telegraph commissions.
523 Directory advertising and sales.
524 Rent revenues.
525 Revenues from general services and licenses.
526 Other operating revenues.

UNCOLLECTIBLE REVENUES

- 530 Uncollectible operating revenues—Dr.

LOCAL SERVICE REVENUES

§ 31.500 *Subscribers' station revenues.* This account shall include local service revenues from business and residence subscribers' service and from semipublic service, including such revenues from main stations, private branch exchange systems, order turrets, and other subscribers' stations, whether the charge is based upon a flat rate or a measured rate. It shall include local service revenues from mileage charges and auxiliary equipment in connection with such subscribers' service. This account shall include also revenues from directory listings for such subscribers' service requirements, such as listings of extra names and alternate call numbers in the alphabetical sections of directories.

NOTE A: Local service revenues from public telephones and from service stations shall be credited to accounts 501 and 503, respectively.

NOTE B: Revenues from advertising in directories (i. e., other than listings for service requirements) shall be credited to account 523.

§ 31.501 *Public telephone revenues.* This account shall include local service revenues from public telephone service.

NOTE A: Local service revenues from semipublic service shall be credited to account 500.

NOTE B: Public telephone commissions shall be charged to account 648.

§ 31.503 *Service stations.* This account shall include local service revenues from stations the lines or equipment of which are provided wholly or in part by others and to which the company furnishes local service, switching service, or both.

§ 31.504 *Local private line services.* This account shall include local service revenues from private line services and facilities furnished between points in the same local service area under contracts providing exclusive service, either continuously or during stated periods (i. e., service not requiring central office switching operations). It shall include local private line service revenues from lines furnished for such purposes as telephone, telegraph, teletypewriter, public address, radio program transmission, and remote control. It shall include also charges for toll terminals and local loops furnished either continuously or during stated periods in connection with toll services (including those furnished for use in connection with lines of other companies); and charges for instru-

ACCOUNTS FOR CLASS B COMPANIES—Con.

MISCELLANEOUS REVENUES

Account
No.

- 520 Miscellaneous operating revenues.

UNCOLLECTIBLE REVENUES

- 530 Uncollectible operating revenues—Dr.

ments and equipment, when furnished in connection with such lines and loops.

§ 31.506 *Other local service revenues.* This account shall include all local service revenues not provided for elsewhere.

TOLL SERVICE REVENUES

§ 31.510 *Message tolls.* (a) This account shall include toll service revenues from the transmission of messages, including such revenues from messages transmitted entirely over the company's own lines, and amounts representing divisions of toll service revenues received (1) from messages transmitted partly over the company's lines and partly over lines of other companies, (2) as compensation for originating or terminating toll messages of other companies, and (3) as compensation for switching toll messages between lines of other companies.

(b) This account shall include revenues from guarantees at toll stations and from messenger service in notifying persons of toll calls.

§ 31.512 *Toll private line services.* This account shall include toll service revenues from private line services and facilities furnished between different local service areas under contracts providing exclusive service either continuously or during stated periods, including (a) revenues from services involving only the use of the company's own lines, and (b) amounts representing divisions of toll private line service revenues when such service involves the use of lines of other companies. It shall include toll private line service revenues from lines furnished for such purposes as telephone, telegraph, teletypewriter, public address, radio program transmission, and remote control.

NOTE A: Charges for local loops furnished either continuously or during stated periods and the instruments used in connection therewith (including those furnished for use in connection with lines of other companies) shall be credited to account 504.

NOTE B: Toll service revenues from the transmission of messages charged for on a per-message basis shall be included in account 510.

§ 31.516 *Other toll service revenues.* This account shall include all toll service revenues not provided for elsewhere.

MISCELLANEOUS REVENUES

§ 31.521 *Telegraph commissions.* This account shall include commissions receivable for the billing or collection of telegraph, cable, or wireless tolls on messages transmitted by others.

§ 31.523 *Directory advertising and sales.* This account shall include revenues from advertising in directories and from the sale or furnishing of new directories either of the company's own issue or directories purchased from others. It shall include all revenues from the classified sections and from bold-face listings, marginal displays, inserts, cover, and other advertisements in alphabetical sections of directories.

NOTE A: Revenues from directory listings for service requirements, such as listings of extra names and alternate call numbers in the alphabetical sections of directories shall be credited to account 500.

NOTE B: Revenues from advertising other than in directories shall be credited to account 526.

NOTE C: Amounts received as salvage on old directories shall be credited to account 649.

§ 31.524 *Rent revenues.* This account shall include revenues (including taxes when borne by the lessee) from the rental or subrental to others of telephone plant constituting a part of the property used by the company in its telephone operations, such as instruments, equipment, and lines furnished apart from telephone service (note § 31.01-3 (gg)) rendered by the company; space in conduits; pole line space for attachments; space in buildings; and carrying charges on property used in joint operations. (Note also § 31.6-62, and Note B to this account.)

NOTE A: The expense of maintaining and operating the rented property, including depreciation and insurance, shall be included in the appropriate operating expense accounts. Taxes applicable to the rented property shall be included by the owner of the rented property in account 305.

NOTE B: Rents from the exclusive use of telephone operating property held as a whole and operated by others, such as a complete telephone plant, a complete exchange, or a complete toll system, shall be included in account 302.

§ 31.525 *Revenues from general services and licenses.* This account shall include amounts accruing for services rendered other companies under a license agreement, general service contract, or other arrangement providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services.

§ 31.526 *Other operating revenues.* This account shall include all miscellaneous operating revenues not provided for elsewhere, such as amounts charged for private branch exchange operating services performed by operators regularly employed by the telephone company; flat amounts (not divisions of revenue or reimbursements of costs) charged other telephone companies for operating services on toll lines of such companies terminating in the switchboard of the accounting company; revenues from advertising other than in directories; unclaimed refunds or overcharges on telephone service; and profits realized from custom work performed for others incident to the company's telephone operations.

UNCOLLECTIBLE REVENUES

§ 31.530 *Uncollectible operating revenues—Dr.* (a) This account shall include amounts credited to the operating revenue accounts which have proved impracticable of collection. (Note also § 31.1-11 and subaccount 118 (b).)

(b) This account may include monthly charges based on estimates, to provide a reserve for uncollectible accounts due from customers and agents. Amounts thus charged to this account shall be credited to subaccount (b), "Reserve for uncollectible accounts—Cr.," under account 118, "Due from customers and agents."

(c) When revenue which has been written off through this account is collected, the amount of the collection shall be credited to this account.

(d) This account shall include, in a separate subdivision thereof, credits arising from charges to accounts 160, "Customers' deposits," and 164, "Advance billing and payments," that may lawfully be written off as unrefundable because of failure to locate the rightful owner or for some similar reason.

NOTE: Uncollectible amounts which have not been treated as operating revenues shall be charged to account 323, account 413, or other appropriate account.

INSTRUCTIONS FOR OPERATING EXPENSE ACCOUNTS

§ 31.6-60 *Purpose of operating expense accounts.* The operating expense accounts (602:1 to 677, inclusive) are designed to show the expenses of furnishing telephone service (note § 31.01-3 (gg)), including expense of maintaining the plant used in such service. (Note also §§ 31.01-4 to 31.01-6.)

§ 31.6-61 *Cost of repairs.* (a) The cost of repairs chargeable to the various operating expense and clearing accounts includes: inspecting, testing, and reporting on the condition of telephone plant to determine the need for repairs, replacements, rearrangements, and changes; testing for, locating and clearing trouble; routine work (note also paragraph (b) of this section) to prevent trouble, such as pulling up slack, tightening guys and raking guy stubs, trimming trees, straightening poles and crossarms, and cleaning and adjusting equipment; replacing minor items of telephone plant (note also § 31.2-25); rearranging and changing the location of property not retired; repairing material for reuse; restoring the condition of property damaged by storms, floods, fire, or other casualties (note also paragraph (b) of this section); training employees for maintenance work; inspecting and testing after repairs have been made; and an equitable proportion of the cost of local plant administration, general plant supervision and engineering.

(b) The cost of repairs does not include the cost of replacing items of property designated as "retirement units" except as provided in account 605, "Repairs of station equipment," for labor and incidental costs in the replacement of station apparatus. (Note also § 31.2-25.)

§ 31.6-62 *Joint operating expenses.* (a) In accounting for operating expenses

incurred under arrangements for joint participation or apportionment between telephone companies, the creditor company shall charge initially the entire expense to the appropriate primary accounts. The proportion of such expenses borne by the debtor shall be credited by the creditor and charged by the debtor to the accounts initially charged, except that by agreement between the participating companies the proportion of traffic expenses borne by the debtor may be credited by the creditor to account 635, "Joint traffic expenses—Cr." and charged by the debtor to account 634, "Joint traffic expenses—Dr."

(b) Any allowances for return on the property used under the arrangement shall be credited by the creditor to the appropriate rent revenue account and charged by the debtor to the appropriate rent expense account.

(c) The creditor company shall inform the debtor company of the distribution of charges made by it.

§ 31.6-63 *Distribution of pay and expenses of employees.* (a) Charges to the telephone plant, operating expense, and other accounts for services and expenses of employees engaged in activities

chargeable to various accounts shall be based upon the actual time engaged in the respective classes of work except that the pay and expenses of an employee who performs the same class of work from day to day may be distributed upon the basis of a study of the time actually engaged during a representative period.

(b) The pay and expenses of employees of one department who perform for another department incidental services involving only small expense shall be included in the expenses of the department in which the employees are regularly employed.

§ 31.6-64 *Extensive replacements.* When it becomes necessary to replace the majority of either station apparatus, inside, drop, or block wires, in any given central office district, together with any number of such items in contiguous districts, the cost of the replacements chargeable to account 605, "Repairs of station equipment," if so authorized by this Commission upon application to it, shall be charged to account 138, "Extraordinary maintenance and retirements," and cleared to account 605 over the period specified in the authority.

OPERATING EXPENSE ACCOUNTS

(Note particularly §§ 31.01-1 (c), 31.01-4, 31.01-5, 31.01-6 and 31.2-25)

ACCOUNTS FOR CLASS A COMPANIES

MAINTENANCE EXPENSES

Account No.	
602:1	Repairs of pole lines.
602:2	Repairs of aerial cable.
602:3	Repairs of underground cable.
602:4	Repairs of buried cable.
602:5	Repairs of submarine cable.
602:6	Repairs of aerial wire.
602:7	Repairs of underground conduit.
602:8	Shop repairs and salvage adjustments.
602:9	General supervision, engineering, and tool expenses.
603	Test desk work.
604	Repairs of central office equipment.
605	Repairs of station equipment.
606	Repairs of buildings and grounds.
607	Station removals and changes.
610	Maintaining transmission power.
611	Employment stabilization.
612	Other maintenance expenses.

DEPRECIATION AND AMORTIZATION EXPENSES

608	Depreciation.
609	Extraordinary retirements
613	Amortization of intangible property.
614	Amortization of telephone plant acquisition adjustment.

TRAFFIC EXPENSES

621	General traffic supervision.
622	Service inspection and customer instruction.
624	Operators' wages.
626	Rest and lunchrooms.
627	Operators' employment and training.
629	Central office stationery and printing.
630	Central office house service.
631	Miscellaneous central office expenses.
632	Public telephone expenses.
633	Other traffic expenses.
634	Joint traffic expenses—Dr.
635	Joint traffic expenses—Cr.

COMMERCIAL EXPENSES

640	General commercial administration.
642	Advertising.
643	Sales expense.
644	Connecting company relations.
645	Local commercial operations.
648	Public telephone commissions.
649	Directory expenses.
650	Other commercial expenses.

ACCOUNTS FOR CLASS B COMPANIES

MAINTENANCE EXPENSES

Account No.	
602	Repairs of outside plant.
603	Test desk work.
604	Repairs of central office equipment.
605	Repairs of station equipment.
606	Repairs of buildings and grounds.
607	Station removals and changes.
610	Maintaining transmission power.
611	Employment stabilization.
612	Other maintenance expenses.

DEPRECIATION AND AMORTIZATION EXPENSES

608	Depreciation.
609	Extraordinary retirements
613	Amortization of intangible property.
614	Amortization of telephone plant acquisition adjustment.

TRAFFIC EXPENSES

624	Operators' wages.
633	Other traffic expenses.

COMMERCIAL EXPENSES

640	Commercial expenses.
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RULES AND REGULATIONS

OPERATING EXPENSE ACCOUNTS—Continued

ACCOUNTS FOR CLASS A COMPANIES—Con.

GENERAL OFFICE SALARIES AND EXPENSES

Account
No.

- 661 Executive department.
- 662 Accounting department.
- 663 Treasury department.
- 664 Law department.
- 665 Other general office salaries and expenses.

OTHER OPERATING EXPENSES

- 668 Insurance.
- 669 Accidents and damages.
- 671 Operating rents.
- 672 Relief and pensions.
- 673 Telephone franchise requirements.
- 674 General services and licenses.
- 675 Other expenses.
- 676 Telephone franchise requirements—Cr.
- 677 Expenses charged construction—Cr.

MAINTENANCE EXPENSES

§ 31.602:1 *Repairs of pole lines.* This account shall include the cost of repairing pole lines and the cost of maintaining right of way therefor.

ITEMS

(Note § 31.01-8)

Inspecting, testing, and reporting on the condition of pole lines to determine the need for repairs or replacements.

Moving poles in connection with road and street changes. (Note also § 31.2-25.)

Painting and treating poles and pole butts subsequent to their installation.

Permits and privileges for maintenance work.

Replacing minor items of pole lines, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Respacing poles and crossarms.

Restoring condition of pole lines damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Right of way adjustments, cost of, when no additional rights are acquired.

Straightening poles and crossarms.

Tightening guys and raking guy stubs.

Transferring crossarms and guys in connection with replacements of poles and crossarms.

Trenching poles.

Trimming trees, cutting underbrush, and other work to maintain previous clearance of right of way.

Work on the property of others in connection with the maintenance of the pole lines of the company. (See also Note A to this account.)

NOTE A: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be charged to account 669.

NOTE B: The cost of shop repairs and salvage adjustments, general supervision, engineering, and tool expenses, applicable to pole lines, shall be charged to accounts 602:8 or 602:9, as appropriate.

§ 31.602:2 *Repairs of aerial cable.* This account shall include the cost of repairing the aerial cable plant.

ITEMS

(Note § 31.01-8)

Clearing defective cable pairs.

Inspecting, testing, and reporting on the condition of aerial cable plant to determine

ACCOUNTS FOR CLASS B COMPANIES—Con.

GENERAL OFFICE SALARIES AND EXPENSES

Account
No.

- 665 General office salaries and expenses.

OTHER OPERATING EXPENSES

- 675 Other operating expenses.

the need for repairs or replacements. (Note also account 603.)

Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)

Moving aerial cable in connection with road and street changes.

Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.

Permits and privileges for maintenance work.

Replacing minor items of aerial cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Restoring condition of aerial cable plant damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Testing for, locating, and clearing trouble. (Note also account 603.)

Tightening suspension strand and cutting out cable slack.

Transferring cable, cable boxes, and other aerial cable plant in connection with replacements of poles and crossarms.

Work on the property of others in connection with the maintenance of the aerial cable plant of the company. (See also note B to this account.)

NOTE A: The cost of cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes for aerial cable shall be charged to account 242:1.

NOTE B: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be charged to account 669.

NOTE C: The cost of shop repairs and salvage adjustments, general supervision, engineering, and tool expenses, applicable to aerial cable plant, shall be charged to account 602:8 or 602:9, as appropriate.

§ 31.602:3 *Repairs of underground cable.* This account shall include the cost of repairing the underground cable plant.

ITEMS

(Note § 31.01-8)

Clearing defective cable pairs.

Inspecting, testing, and reporting on the condition of the underground cable plant to determine the need for repairs or replacements. (Note also account 603.)

Installing, transferring, replacing, and removing cross-connection wires and fuses in

cable terminals or boxes. (See also note A to this account.)

Moving underground cable in connection with road and street changes. (Note also § 31.2-25.)

Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.

Permits and privileges for maintenance work.

Replacing minor items of underground cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Reracking cables.

Restoring condition of underground cable plant damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Testing for, locating, and clearing trouble. (Note also account 603.)

Tests and surveys of existing plant to detect presence of electrolysis. (See note A to this account, also account 603.)

Work on the property of others in connection with the maintenance of the underground cable plant of the company. (See also note B to this account.)

NOTE A: The cost of cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes, and the cost of tests for electrolysis made in connection with construction of underground cable shall be charged to account 242:2.

NOTE B: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be charged to account 669.

NOTE C: The cost of shop repairs and salvage adjustments, general supervision, engineering, and tool expenses, applicable to underground cable plant, shall be charged to account 602:8 or 602:9, as appropriate.

§ 31.602:4 *Repairs of buried cable.* This account shall include the cost of repairing the buried cable plant and the cost of maintaining the right of way therefor.

ITEMS

(Note § 31.01-8)

Clearing defective cable pairs.

Inspecting, testing, and reporting on the condition of the buried cable plant to determine the need for repairs or replacements. (Note also account 603.)

Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)

Moving buried cable in connection with road and street changes. (Note also § 31.2-25.)

Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.

Permits and privileges for maintenance work.

Replacing minor items of buried cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Restoring condition of buried cable plant damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Right of way adjustments, cost of, when no additional rights are acquired.

Testing for, locating, and clearing trouble. (Note also account 603.)

Work on the property of others in connection with the maintenance of the buried

cable plant of the company. (See also note B to this account.)

NOTE A: The cost of cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes for buried cable shall be charged to account 242:3.

NOTE B: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be charged to account 669.

NOTE C: The cost of shop repairs and salvage adjustments, general supervision, engineering, and tool expenses, applicable to buried cable plant, shall be charged to account 602:8 or 602:9, as appropriate.

§ 31.602:5 Repairs of submarine cable. This account shall include the cost of repairing the submarine cable plant and the cost of maintaining right of way therefor.

ITEMS

(Note § 31.01-8)

Clearing defective cable pairs.

Inspecting, testing, and reporting on the condition of submarine cable plant to determine the need for repairs or replacements. (Note also account 603.)

Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)

Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.

Permits and privileges for maintenance work.

Replacing minor items of submarine cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Restoring condition of submarine cable plant damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Right of way adjustments, cost of, when no additional rights are acquired.

Testing for, locating, and clearing trouble. (Note also account 603.)

Work on the property of others in connection with the maintenance of the submarine cable plant of the company. (See also note B to this account.)

NOTE A: The cost of cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes for submarine cable shall be charged to account 242:4.

NOTE B: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing property of others in the course of such work) shall be charged to account 669.

NOTE C: The cost of shop repairs and salvage adjustments, general supervision, engineering, and tool expenses, applicable to submarine cable plant, shall be charged to account 602:8 or 602:9, as appropriate.

§ 31.602:6 Repairs of aerial wire. This account shall include the cost of repairing the aerial wire plant.

ITEMS

(Note § 31.01-8)

Cutting out or cutting in slack in aerial wire.

Inspecting, testing, and reporting on the condition of aerial wire plant to determine the need for repairs or replacements. (Note also account 603.)

Moving aerial wire in connection with road and street changes. (Note also § 31.2-25.)

Permits and privileges for maintenance work.

Rearranging wires on pins.

Replacing minor items of aerial wire plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Restoring condition of aerial wire plant damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Testing for, locating, and clearing trouble. (Note also account 603.)

Transferring aerial wire in connection with replacements of poles and cross arms.

Transposing or retransposing existing aerial wire, including such work for the removal of electric interference and for the creation of phantom and carrier circuits subsequent to the original installation of wires. (See also note A to this account.)

Work on the property of others in connection with the maintenance of the aerial wire plant of the company. (See also note B to this account.)

NOTE A: The cost of any betterments and plant added resulting from such work shall be included in account 243.

NOTE B: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be charged to account 669.

NOTE C: The cost of shop repairs and salvage adjustments, general supervision, engineering, and tool expenses, applicable to aerial wire plant, shall be charged to account 602:8 or 602:9, as appropriate.

§ 31.602:7 Repairs of underground conduit. This account shall include the cost of repairing the underground conduit plant and the cost of maintaining right of way therefor.

ITEMS

(Note § 31.01-8)

Cleaning manholes and ducts. (See also note A to this account.)

Moving underground conduit in connection with road and street changes. (Note also § 31.2-25.)

Opening pavement and repaving in connection with repairs of underground cable and conduit.

Permits and privileges for maintenance work.

Replacing minor items of underground conduit plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Restoring condition of underground conduit plant damaged by storms, fires, or other casualties. (Note also § 31.2-25.)

Right of way adjustments, cost of, when no additional rights are acquired.

Work on the property of others in connection with the maintenance of the underground conduit plant of the company. (See also note B to this account.)

NOTE A: The cost of cleaning manholes and ducts in connection with construction work and not necessary in the maintenance or operation of the plant shall be included in the account chargeable with the cost of the construction work.

NOTE B: Expenses on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing property of others in the course of such work) shall be charged to account 669.

NOTE C: The cost of shop repairs and salvage adjustments, general supervision, engi-

neering, and tool expenses, applicable to underground conduit, shall be charged to account 602:8 or 602:9, as appropriate.

§ 31.602:8 Shop repairs and salvage adjustments. This account shall include the cost of repairs and conversions of pole line, cable, aerial wire, and underground conduit material which has been removed from plant and returned to shops for repairs. It shall also include salvage adjustments with respect to such material which cannot be practicably allocated to accounts 602:1 to 602:7, inclusive.

§ 31.602:9 General supervision, engineering, and tool expenses. This account shall include the cost of engineering and plant supervision expense applicable to work charged to accounts 602:1 to 602:8, inclusive. It shall also include amounts cleared from account 702, "Vehicle and other work equipment expense," for expense of small tools applicable to repairs of outside plant.

§ 31.603 Test desk work. (a) This account shall include the costs incurred by forces located in central offices and engaged in the work of receiving and recording reports of trouble from subscribers and others; testing from test desks to determine the nature and location of trouble; dispatching repairman from test desks; testing from test desks with repairmen during the course of their work or upon its completion and making other tests from test desks to determine the condition of the plant; and testing from test desks in the course of station reconnections, reinstallations, inside moves and rearrangements of station equipment.

(b) This account shall include also the cost of cable fault location work performed at specially equipped test desks; the cost of putting up and taking down leased toll circuits; monitoring, testing and adjusting leased toll circuits to maintain such circuits in proper adjustment; and similar work in connection with toll message circuits.

§ 31.604 Repairs of central office equipment. (a) This account shall include the cost of repairing central office equipment.

(b) This account shall include also the pay and expenses of plant department forces engaged in maintaining and operating equipment for producing electricity for transmitting traffic and operating signals.

ITEMS

(Note § 31.01-8)

Adding acid and water to batteries and reading specific gravity, current drain, and voltage of batteries.

Cleaning equipment.

Disconnecting and reconnecting customers' lines in central offices for temporary periods of nonuse or for nonpayment of bills.

Disconnecting customers' lines in central offices due to termination of service.

House service. (Note also account 707.)

Lubrication, adjustment, and cleaning of power equipment, including the lubrication and cleaning of drive motors and driving mechanism in panel offices.

Operating prime movers, generators, and motors.

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Rearranging and replacing frame cross-connection wires. (See also note A to this account.)

Removing sediment from storage batteries and the cost of repairing storage batteries, including replacement of minor items.

Repairing used central office equipment for reuse.

Replacement of central office dry cell batteries.

Replacing minor items of central office equipment, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Starting, stopping, and watching operation of power equipment.

Supplies, such as acid, caustic soda, cheese-cloth, commutator paste, dry cells, electrolyte, kerosene, oil, and waste.

Tools and other individual central office equipment—items of small value or short life, cost and repairs of. (Note also § 31.2-20 (d).)

Training employees for central office repair work.

Underlining switchboard jacks, renewing switchboard markings, and placing and changing number plates and designation strips, not incident to construction. (See also note C to this account.)

NOTE A: The cost of work on central office frames incident to routine station and line turnover and growth, including the placing, removing, or rearrangement of cross-connections (including the cost, less salvage, of the cross-connection wire, heat coils, protector blocks, etc.), and the opening and closing of lines on the frame, may be currently charged direct to this account and, before the close of the calendar year, adjustment made between this account and account 221 for the net increase in central office investment or between account 221 and account 171 for the net decrease in such investment, due to increase or decrease in lines.

NOTE B: The pay and expenses of test-board men and other employees in central offices engaged in testing circuits in connection with the maintenance of plant, such as testing with station repairmen, cablemen, etc., shall be charged to account 603. Similar costs in connection with construction projects shall be included in the telephone plant accounts appropriate for the class of plant tested.

NOTE C: The pay of clerks of the traffic department when engaged in such work shall be charged to account 624. The cost of placing number plates, designation strips, making switchboard markings, and similar work in connection with central office construction shall be included in account 221. (Note also § 31.6-63.)

NOTE D: The cost of power produced for house service purposes shall be charged to account 707 or other account, as may be appropriate.

NOTE E: The cost of electricity purchased and the cost of coal, gas, gasoline, oil, and other fuel used in the generation, conversion, and storage of current for transmitting traffic and operating signals shall be included in account 610.

§ 31.605 Repairs of station equipment. (a) This account shall include the cost of repairing station apparatus, station installations (including inside wires), drop and block wires, private branch exchanges, and booths and special fittings.

(b) This account shall include also such costs of extensive replacements of station apparatus and inside, drop and block wires, which, under conditions provided in (§ 31.6-64), have been carried

in account 138, "Extraordinary maintenance and retirements."

ITEMS

(Note § 31.01-8)

Changing type of station apparatus, such as from desk set to hand set, wall set to desk set, magneto to common battery, or nondial to dial. (See also note A to this account.)

Changing drop wires from street to alley or interior block distribution, together with associated changes of inside wires.

Cleaning equipment.

Inside moves (moves or relocations on the same premises or at the same address) of station apparatus, private branch exchanges, and booths and special fittings. (See also note B to this account.)

Inspecting, testing, and reporting on condition of equipment to determine the need for repairs or replacements. (Note also account 603.)

Labor, traveling, and other incidental costs of replacing any items (including "retirement units") of station apparatus. (See also note A to this account.)

Material used in replacing minor items of station apparatus. (Note also § 31.2-25.)

Number plate changes not incident to station reconnections.

Relocating inside, drop, and block wires.

Removing sediment from and cleaning private branch exchange batteries.

Repainting and other repairs of booths, including those owned by others.

Repairing used station equipment for reuse.

Repairing furniture and equipment classified in account 235, and cost and repairs of individual items of small value or short life. (Note also § 31.2-20 (d).)

Replacing minor items of private branch exchanges and booths and special fittings, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)

Replacing inside, drop, and block wires.

Replacing station batteries.

Retirement (original cost, plus cost of removal less salvage recovered) of drop or block wires, in the course of extensive plant rearrangements, such as the replacement of such wires by cable.

Routine work to prevent trouble, such as trimming trees to protect existing drop wires.

Testing for, locating, and clearing trouble in station equipment. (Note also account 603.)

NOTE A: The cost of plant added (such as dials) or betterments of station apparatus shall be charged to account 231. When a retirement unit (note also § 31.2-24, § 31.2-25) of station apparatus is replaced, account 231 shall be charged with the cost of the material installed and credited with the cost of the material retired; the latter amount less the value of salvage recovered shall be charged to account 171.

NOTE B: Moves of stations, private branch exchanges and booths and special fittings to different premises or to a different address shall be accounted for as removals or disconnections, as appropriate, from the old location, and as new installations, reconnections, or reconnections, as appropriate, at the new location. (Note also account 607.)

NOTE C: Amounts charged customers for moves and changes of station equipment shall be credited to account 500 or to other revenue accounts appropriate for the class of service involved.

§ 31.606 Repairs of buildings and grounds. This account shall include the cost of repairing buildings and grounds, their fixtures and appurtenances, except as provided in the texts of the clearing accounts with respect to rented quarters.

ITEMS

(Note § 31.01-8)

Changing location of partitions. (See also note A to this account.)

Maintaining public improvements, including assessments covering such work.

Maintaining yards and grounds, including their fences, shrubbery, sidewalks, and sewers.

Minor improvements to leased buildings, quarters, and grounds. (Note also § 31.2-23.)

Repainting and repapering buildings, including redecorating interiors of buildings.

Repairing building machinery, fixtures, appurtenances, and appliances, such as elevators, plumbing, and equipment for heating, lighting, and ventilating.

Repairing rented buildings, quarters, and grounds, except when the rented property is used in operations the expense of which is chargeable to the clearing accounts.

Replacing and repairing awnings, screens, window shades and ventilators, storm doors, storm windows, movable partitions, and similar movable minor items of buildings. (See also note B to this account.)

Replacing minor items of buildings, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (See also § 31.2-25, and note C of this account.)

Restoring condition of buildings or grounds damaged in the course of repairs, replacements, additions, or betterments. (See also note C to this account.)

NOTE A: The cost of any substantial increase or decrease in partitions resulting from such changes shall be charged or credited, as appropriate, to account 212.

NOTE B: When partitions of a movable type (for example, steel and glass, or wood and glass) are replaced by partitions of a permanent type (for example, terra cotta) or vice versa, the costs involved shall be accounted for through the telephone plant and depreciation reserve accounts.

NOTE C: The cost of minor building alterations incident to the installation of central office equipment, such as opening and closing holes in ceilings, partitions, walls, and floors to permit installation of equipment, power conduit and wiring, shall be charged to account 221.

NOTE D: The cost of initial improvements (including repairs, rearrangements, plant added, and betterments) in the preparation for service of either rented or purchased buildings or grounds shall be charged to account 211 or account 212, as appropriate, except that when the improvements to leased property are of relatively minor cost or short life or the period of the lease is less than 1 year, the cost shall be charged to the account chargeable with the cost of repairs of such property. (Note also § 31.2-23.)

NOTE E: The cost of repairs to buildings and grounds classable under account 103 shall be charged to account 315.

§ 31.607 Station removals and changes. This account shall include the expense of removing stations due to the termination of service together with the resultant loss of investment in station installations, drop and block wires, and the expense of station disconnections, reconnections, and reconnections, as follows:

(a) When stations are removed from subscribers' premises, the original cost (actual or estimated average unit cost) of the station installations (including inside wires) carried in account 232, "Station installations," and of any drop and block wires thereby retired from service, shall be credited to the appropriate tele-

phone plant accounts and charged to this account, which shall be credited with the value of any salvage recovered therefrom. The cost of removing the station apparatus and inside, drop, and block wires, including transportation costs incurred in the recovery of the material, shall be charged to this account.

(b) When stations are disconnected (either for nonpayment of other discontinuance of service) but left on premises, this account shall be charged with the cost of disconnecting the station equipment; and when reconnected, the cost of reconnecting shall also be charged hereto.

(c) When stations are reinstalled on premises from which the station apparatus had previously been removed, if inside wire or ground wire left from a previous installation is reused, wholly or in part, the cost of installing the station apparatus (not including the cost of the apparatus which shall be charged to account 231) and of placing the inside wire again in service shall be charged to this account, and this account shall be credited and account 232, "Station installations," charged with the average cost of a station installation (including inside wire) in place; if drop or block wire left from a previous installation is reused, wholly or in part, the cost of placing such wire again in service shall be charged to this account, and this account shall be credited and account 233, "Drop and block wire," charged with the average cost of a drop or block wire in place.

NOTE A: The cost of disconnecting and reconnecting subscribers' lines in central offices shall be charged to account 604. The cost of test desk work in connection with station removals and changes shall be charged to account 603.

NOTE B: Amounts charged subscribers for restoration of service shall be credited to account 500 or to other revenue accounts appropriate for the class of service involved.

§ 31.610 Maintaining transmission power. This account shall include the cost of power for transmitting traffic and operating signals. It shall include the cost of electricity purchased and the cost of coal, gas, gasoline, oil, and other fuel used in the generation, conversion, and storage of current for operating dial system, repeater, and carrier equipment, ringing machines, ticket-distributor systems, battery-charging machines, coin-collection equipment, and for other transmission power requirements of central office equipment, private branch exchanges, and other station equipment.

NOTE A: Payments for the installation in central offices of permanent power circuits for emergency use shall be charged to the appropriate plant account. Payments to others made with a provision for reimbursement as power is used shall be treated as a prepayment and cleared by charges to this account or other appropriate account.

NOTE B: The cost of power produced for house service purposes shall be charged to account 707 or other account, as may be appropriate.

NOTE C: The pay and expenses of central office forces engaged in the generation, conversion, and regulation of transmission power shall be charged to account 604.

§ 31.611 Employment stabilization. (a) This account shall include amounts systematically accrued with respect to

maintenance work to be performed in accordance with an employment stabilization program designed to spread the total volume of maintenance work more evenly from year to year. Charges to this account shall be made only after approval by this Commission of the company's employment stabilization program, the plan of administration of the program, the character of the work to which sums accrued may subsequently be applied, and the amount of the monthly or annual accruals for stabilization purposes.

(b) Amounts charged to this account shall concurrently be credited to account 173, "Employment stabilization reserve."

(c) When maintenance work for which provision has been made through this account is performed, the cost of such work shall be charged to the appropriate maintenance expense accounts. Concurrently, this account shall be credited and account 173, "Employment stabilization reserve," shall be charged with an amount equal to the cost of such work.

§ 31.612 Other maintenance expenses. This account shall include all maintenance expenses not properly chargeable to other accounts.

DEPRECIATION AND AMORTIZATION EXPENSES

§ 31.608 Depreciation.¹ This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable telephone plant, except amounts chargeable to clearing accounts. The depreciation charges shall be made in accordance with §§ 31.2-23 (c), 31.02-80 to 31.02-82. (Note accounts 315 and 174 for depreciation of miscellaneous physical property.)

§ 31.609 Extraordinary retirements.¹ This account shall include the proportion of the service value of telephone plant retired, carried in account 138, "Extraordinary maintenance and retirements," which by specific authority of this Commission shall be charged to operating expenses for the period. (Note also § 31.02-83, and account 138.)

§ 31.613 Amortization of intangible property. This account shall be charged each month with the amount necessary to cover such portions of the lives of limited term franchises, patents, leaseholds, and similar intangible property included in the telephone plant accounts, as have expired during the month. Amounts so charged shall be credited to account 172, "Amortization reserve."

§ 31.614 Amortization of telephone plant acquisition adjustment. This account shall be charged or credited each month with such amounts as may be authorized by the Commission to be included in operating expenses under a plan to amortize amounts in account 100.4, "Telephone plant acquisition adjustment." Amounts so entered shall be charged or credited, as appropriate, to account 172, "Amortization reserve."

TRAFFIC EXPENSES

§ 31.621 General traffic supervision. This account shall include the pay, office,

¹Sections 31.608, 31.609 follow § 31.612 in order to maintain the keying of section numbers to account numbers.

traveling, and other expenses of officers directly in charge of the general supervision of traffic, either for the company as a whole or a territorial subdivision; also the pay and expenses of their assistants and office forces.

ITEMS

(Note § 31.01-8)

House service. (Note also account 707.) Medical examiners and their assistants, welfare supervisors, and nurses engaged in the traffic department, pay and expenses of. (See also note A to this account.)

Office supplies. Postage, printing, and stationery. Preparing tariff and route data, traffic department's expense of. (See also note B to this account.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traffic superintendents, managers, chiefs, supervisors, and engineers, pay and expenses of. (See also note C to this account.)

Traveling expenses.

NOTE A: The pay and expenses of physicians and nurses engaged in work such as conducting physical examinations of employees for all departments, giving general health advice, providing first-aid treatment, supervising and investigating sickness cases, and in other general relief activities shall be charged to account 672. The pay of nurses assigned to operators' quarters shall be charged to account 626.

NOTE B: The traffic department's proportion of the expense of printing and distributing tariff and route data shall be charged to account 629.

NOTE C: The cost of traffic engineering applicable to construction shall be credited to this account.

§ 31.622 Service inspection and customer instruction. (a) This account shall include the pay, office, traveling, and other expenses of service observation forces. It shall include also the expense of inspecting and directly supervising private branch exchange service.

(b) This account shall also be charged with the expense of instructing customers in methods of placing calls, including instruction in the use of dial equipment. (See also note A to this account.)

ITEMS

(Note § 31.01-8)

Card notices and other literature for instruction of customers in use of dial equipment.

Employment and training of private branch exchange operators apart from the regular employment and training of operators.

House service. (Note also account 707.) Investigation and adjustment of traffic service complaints. (See also note B to this account.)

Making test calls. Observation of handling of traffic by operators. (See also note C to this account.)

Observation of accuracy of measured service charges.

Office supplies. Postage, printing, and stationery. Private branch exchange service supervisors, pay and expense of.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Stop watches, repairs of. Summarization of service observation data. Traveling expenses.

NOTE A: The expense of instructing customers in the use of station equipment in

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the course of station installation activities shall be included in the accounts charged with the cost of such activities.

NOTE B: The recording and adjustment of traffic service complaints performed by operating forces in the course of completing calls shall be included in account 624.

NOTE C: The pay of operators, supervisors, and other employees in central office operating rooms engaged in listening-in work in connection with coaching operators shall be charged to account 624.

§ 31.624 Operators' wages. (a) This account shall include the pay of chief operators, assistant chief operators, monitors, supervisors, ticket distributors, switchboard operators, information operators, directory operators, private branch exchange operators, telegraph operators, teletypewriter operators, operators employed in quoting toll rates and charges, listening-in work in connection with coaching operators, helping subscribers to place and complete calls together with the incidental recording of subscribers' complaints, operating telephotographic equipment, and all other operators employed in the operation of central office and private branch exchange equipment.

(b) This account shall include also the pay of clerks, stenographers, and messengers engaged in line assignments, peg counts, message register readings, plug counts, preparing time or attendance records, pay rolls, intercepting records, panel and jack records, line and station reports, delivering messages or notifying persons of calls, and similar traffic work performed in central offices or centralized outside of central offices. It shall include the pay of such employees while engaged in underlining switchboard jacks and placing and changing number plates and designation strips.

NOTE A: The pay of operators at public telephone stations shall be charged to account 632.

NOTE B: Commissions or agency-contract allowances paid to exchange agents or managers in lieu of salary, operating expenses, etc., shall be equitably apportioned to construction, maintenance, traffic, commercial, or other accounts affected.

NOTE C: The pay and expenses of operators, supervisors, chief operators, etc., while attending supplemental training or post-graduate operating schools shall be charged to account 627.

§ 31.626 Rest and lunch rooms. This account shall include the cost of operating rest and lunch rooms for central office employees, including the cost of meals provided for such employees. This includes the cost of operating such facilities as rest rooms, quiet rooms, reading rooms, medical rooms, locker rooms, check rooms, sleeping rooms, and dormitories. Credit to this account amounts received for meals served.

ITEMS

(Note § 31.01-8)

Bedding.
Dishes.
Electric power for cooking, refrigeration, or operating kitchen equipment.
Food supplies.
Fuel for cooking.
Handling orders and bills for supplies.
House service. (Note also account 707.)
Ice for refrigeration.
Laundry.

Linen.
Lunch-room managers, cooks, cashiers, waiters, and kitchen helpers, pay and expenses of.

Medical supplies, including first-aid materials, used in operators' quarters.

Newspapers, magazines, and phonograph records.

Nurses, matrons, and attendance for operators' quarters, pay and expenses of.

Postage, printing, and stationery.

Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.

Silverware.

Uniforms.

NOTE: The net cost of operating central office rest and lunch rooms used, except incidentally, by other than employees of the traffic department shall be apportioned on an equitable basis to the departments benefited.

§ 31.627 Operators' employment and training. This account shall include expenses incurred in the employment and training of operators whether or not a school is maintained.

ITEMS

(Note § 31.01-8)

Advertising for operators, cost of.
Amounts paid employees for securing new operators.

Pay and expenses of employees engaged in the employment of operators and in interviewing applicants.

Pay and expenses of instructors, messengers, personnel supervisors, etc., in schools.

Pay of operator, supervisors, chief operators, etc., attending supplemental training or post-graduate courses.

Pay of student operators rendering no service.

Postage, printing, and stationery.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Supplies for employment and school work.
Traveling expenses.

NOTE: The cost of house service for operators' schools shall be charged to account 630. (Note also account 707.)

§ 31.629 Central office stationery and printing. This account shall include the cost of postage, printing, and stationery for use in central offices except as provided for elsewhere.

ITEMS

(Note § 31.01-8)

Office supplies.
Postage on toll tickets forwarded by connecting companies.

Postage on toll tickets from central offices to accounting offices.

Printing and distributing tariff and route data, traffic department's proportion of cost of. (See also note A to this account.)

Printing directories of telephone numbers by street addresses, traffic department's expense of. (See also note B to this account.)

Tickets and other central office stationery and supplies furnished connecting companies.

Toll tickets.

NOTE A: The expense of preparing tariff and route data incurred by the traffic department shall be charged to account 621.

NOTE B: The cost of such directories prepared by the directory department shall be charged to account 649.

§ 31.630 Central office house service. This account shall include the cost of light, heat, janitor service, and other care of central office traffic quarters except as

provided in account 626, "Rest and lunch rooms." (Note also account 707.)

ITEMS

(Note § 31.01-8)

Electricity for elevators, fans, lights, and ventilators. (See also note A to this account.)

Fuel, ice, towels, water, toilet, and other supplies.

NOTE A: The cost of electricity used in connection with central office equipment installation shall be charged to account 221.

NOTE B: The cost of house service for central office plant quarters shall be charged to account 604 or to an appropriate clearing account.

§ 31.631 Miscellaneous central office expenses. This account shall include the cost of operating central offices not chargeable to other accounts.

ITEMS

(Note § 31.01-8)

Board and lodging for operators.
Clothing furnished operators in emergencies.

Films for message register readings.
Laundry of equipment used by operators.

Messenger service. (See also note A to this account.)

Paint brushes, paint, and other articles used by traffic employees in switchboard markings.

Photographic supplies for telephotographic work.

Rent of typewriters for central offices.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life used in central office operating quarters. (See also note B to this account.)

Time service furnished the company by others.

Transportation for divided tour operators.
Traveling expenses of employees whose pay is chargeable to account 624.

NOTE A: The pay of company employees engaged in central office messenger service shall be charged to account 624.

NOTE B: Repairs of furniture and office equipment and the cost and repairs of individual items of small value or short life used in central office plant quarters shall be charged to account 604 or to an appropriate clearing account.

Such costs for items used in rest and lunch room quarters shall be charged to account 626, and those for items used in operators' employment and school quarters shall be charged to Account 627.

§ 31.632 Public telephone expenses. This account shall include all traffic expenses, except central office operating expenses, incurred in connection with the operation of public telephones.

ITEMS

(Note § 31.01-8)

Attendants, clerks, messengers, and operators at public telephones, pay and expenses of.

Employees engaged in direct supervision of the operation of public telephone service, pay and expenses of.

House service. (Note also account 707.)

Instruction cards for booths.

Postage, printing, and stationery.

Traveling expenses.

Uniforms.

NOTE: Commissions, percentages of receipts, and flat sums paid for occupancy privileges for public telephones shall be charged to account 648.

§ 31.633 Other traffic expenses. This account shall include all traffic expenses

not properly chargeable to other accounts.

NOTE A: Rent paid for central offices shall be charged to account 671.

NOTE B: Traffic expenses incurred in the operation of special-type equipment, such as public-address systems, telephotographic, radio broadcasting and receiving, motion-picture and public-demonstration equipment, shall be charged, so far as practicable, to the traffic expense accounts provided for the expenses of regular telephone operations.

§ 31.634 *Joint traffic expenses—Dr.* This account may include amounts payable to other telephone companies for joint expenses, as provided in § 31.6-62.

§ 31.635 *Joint traffic expenses—Cr.* This account may include amounts receivable from other telephone companies for joint traffic expenses, as provided in § 31.6-62.

COMMERCIAL EXPENSES

§ 31.640 *General commercial administration.* This account shall include the pay, office, traveling, and other expenses of officers directly in charge of the general administration of the commercial department either for the company as a whole or a territorial subdivision; also the pay and expenses of their assistants and office forces.

ITEMS

(Note § 31.01-8)

Commercial surveys, forecasts, rate-plan studies, and development studies. (See also note B to this account.)

General, division, and district commercial managers, supervisors, superintendents, and engineers, pay and expenses of. (See also notes A and B to this account.)

House service. (Note also account 707.)

Office supplies.

Postage, printing, and stationery.

Preparing, printing, and distributing tariff and route data, commercial department's expense of.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

NOTE A: The pay and expenses of an employee engaged in direct supervision of commercial activities, the cost of which is provided for in specific accounts, such as a manager in direct charge of local commercial operations, an advertising manager, a supervisor in direct charge of a group of salesmen, a directory manager, or a representative in charge of connecting company relations, shall be charged to the account or accounts provided for such costs.

NOTE B: The cost of commercial engineering applicable to construction shall be credited to this account.

§ 31.642 *Advertising.* This account shall include expenses incurred in commercial advertising activities, including expenses incurred in giving public demonstrations of telephones, switchboards, etc.

ITEMS

(Note § 31.01-8)

Announcements of rate changes. (See also note A to this account.)

Commercial advertisements in newspapers and magazines. (See also note A to this account.)

Commercial advertising matter such as posters, bulletins, booklets, and related items. (See also note A to this account.)

Electric current consumed in illuminating public telephone signs.

Exhibits in connection with industrial exhibitions, expenses of. (See also note B to this account.)

House service. (Note also account 707.)

Lecture and demonstration tours for promotional purposes. (See also note B to this account.)

Managers and their office forces in charge of advertising and publicity, pay and expenses of.

Motion pictures.

Office supplies.

Postage, printing, and stationery.

Promotional advertising in the company's directories, such as colored page inserts, when additional printing and binding costs are incurred.

Radio programs.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

Window displays.

NOTE A: The cost of newspaper advertisements, literature, etc., other than for commercial advertising purposes, such as advertisements of stock and bond issues, advertising for operators, notices of dividends declared, and advertisements for sale of directory advertising, or to popularize and increase use of classified sections of directories, shall be charged to the accounts appropriate for such costs.

NOTE B: The pay and expenses of employees performing incidental services in connection with industrial exhibits and public demonstrations of telephones, switchboards, etc., shall be included in the accounts chargeable with the pay and expenses of the employees' regular activities. (Note also § 31.6-63.)

NOTE C: The cost of flags, bunting, and similar expenses of decorating buildings shall be charged to account 707 or to the appropriate expense account of the department concerned.

§ 31.643 *Sales expense.* This account shall include expenses incurred in canvassing for new business or for changing or renewing existing service, also in interviewing customers for promoting the further use of service.

ITEMS

(Note § 31.01-8)

Canvassers and salesmen, pay and expenses of. (See also note to this account.)

Canvassing for purpose of regrading service or for sale of additional service.

Commercial service studies of subscribers' service.

House service. (Note also account 707.)

Office supplies.

Postage, printing, and stationery.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

NOTE: The pay and expenses of employees engaged in securing advertisements for directories shall be charged to account 132 or account 649, as may be appropriate.

§ 31.644 *Connecting company relations.* This account shall include expenses incurred in developing the interchange of business and other promotion of relations with connecting companies. This includes the pay and expenses of commercial representatives and their office forces engaged in the negotiation or revision of traffic agreements, assisting connecting companies in the development of toll business and similar promotion of relations with connecting companies.

ITEMS

(Note § 31.01-8)

Connecting company agents or representatives and their office forces, pay and expenses of.

House service. (Note also account 707.)

Office supplies.

Postage, printing, and stationery.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

§ 31.645 *Local commercial operations.* This account shall include the pay, office, traveling, and other expenses of employees engaged in local commercial operations other than promotion or directory. This includes employees of business and collection offices engaged in preparing, changing, and handling contract or service orders, collecting revenues, and handling miscellaneous commercial relations with customers.

ITEMS

(Note § 31.01-8)

Badges.

Business office signs on windows, doors, etc.

Coin-box collectors, guards and supervisors of coin-box collections, pay and expenses of.

Customers' accounts, cost of keeping and billing, when performed in the course of local commercial operations. (See also note C to this account.)

Fees paid banks or others for collection of customers' bills. (For law expenses see account 664.)

House service. (Note also account 707.)

Managers in charge of local commercial operations, supervisors, countertermen, bookkeepers, cashiers, clerks, and collectors, pay and expenses of. (See also note C to this account.)

Office supplies.

Postage, printing, and stationery.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

NOTE A: This account shall include the entire pay and expenses of employees in business offices who are only incidentally engaged in promotion or directory work. If such employees are assigned all or a part of their time to promotion or directory work, equitable portions of their pay and expenses shall be charged to the accounts provided for such expenses. (Note also § 31.6-63.)

NOTE B: The cost of duplicating, recording, and handling contract or service orders after preparation by the commercial department shall be charged to the accounts of the department incurring the expense.

NOTE C: When customers' accounts are kept and bills rendered by the accounting department, the expense involved, including pay and expenses of bookkeepers and clerks, shall be charged to account 662.

§ 31.648 *Public telephone commissions.* This account shall include amounts paid, either in the form of percentages of receipts, flat amounts deducted from receipts or other specified sums, to the owners or tenants of premises upon which attended and non-attended public and semipublic telephone stations are located, as general compensation for occupancy privileges, light, heat, attendance, and all services rendered incident to the furnishing of service from such stations.

NOTE: The pay of operators and other attendants employed by the company at public

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telephone stations shall be charged to account 632.

§ 31.649 Directory expenses. This account shall include expenses incurred in preparing copy, printing, binding, and distributing directories, and the cost of securing advertisements for directories. It shall include also the cost of directories of other companies purchased for the use of the company or for distribution or sale to its customers. This account shall be credited with amounts received as salvage on old directories. (Note also account 132.)

ITEMS

(Note § 31.01-8)

Advertisements for promotion of directory advertising.

Commissions paid employees or agents for securing directory advertisements.

Directory covers.

Directory managers, clerks, advertising salesmen, and other employees of the directory department, pay and expenses of.

House service. (Note also account 707.)

Maintaining directory delivery records.

Office supplies.

Official branch exchange directories prepared by directory department, cost of.

Postage, printing, and stationery.

Preparing and printing special editions of directories, including addenda thereto, by the directory department for use of traffic department. (See also note C to this account.)

Preparing and printing street address, toll and other special directories, including addenda thereto, by directory department. (See also note C to this account.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Transportation and distribution of directories, cost of.

Traveling expenses.

NOTE A: All directory expenses may be initially charged to account 132, but shall be cleared to account 649 during the months to which such expenses apply.

NOTE B: Receipts from the sale of furnishing of new directories, either of a company's own issue or directories purchased from others, shall be credited to account 523.

NOTE C: When such directories are prepared and issued by the traffic department, the costs involved shall be included in the appropriate traffic expense accounts.

NOTE D: Any additional printing and binding costs incurred on account of the company's promotional advertising in its directories, such as colored page inserts, shall be charged to account 642.

§ 31.650 Other commercial expenses. This account shall include all commercial expenses not properly chargeable to other accounts. It shall include any definitely known amounts of losses of revenue collections due to fire or theft, (a) at customers' coin-box stations, (b) at public or semipublic telephone stations, (c) in the possession of collectors en route to collection offices, (d) on hand at collection offices, and (e) between collection offices, and banks.

NOTE A: Rent paid for commercial offices shall be charged to account 671.

NOTE B: Commercial expenses incurred in connection with public demonstrations and such services as public address and telephotograph operations shall be charged, so far as practicable, to the commercial expense accounts provided for the expenses of regular telephone operations.

GENERAL OFFICE SALARIES AND EXPENSES

§ 31.661 Executive department. This account shall include the pay, office, traveling, and other expenses of officers who are engaged in the general administration or management of the company, or its affairs in a territorial subdivision; also the pay and expenses of their assistants and office forces.

This account shall be charged also with salaries, fees, and expenses other than law expenses, of receivers.

OFFICERS AND EMPLOYEES

(Note § 31.01-8)

Chairman of the board of directors.

Managers—general and division.

President.

Receiver.

Secretary.

Vice president.

Assistants authorized to act for officers of executive department.

Office and staff forces (e. g., staff assistants, secretaries, stenographers, clerks, messengers, office boys, etc.) of officers and employees of executive department.

EXPENSES AND SUPPLIES

(Note § 31.01-8)

Automobile service, including charges through clearing account 702.

Books and periodicals for office use.

House service. (Note also account 707.)

Meals, including payments therefor on account of overtime work.

Membership fees and dues of officers and employees in trade, technical, and professional associations.

Office supplies.

Postage.

Printing.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Stationery supplies.

Telephone and telegraph service, amounts paid others for.

Traveling expenses.

§ 31.662 Accounting department. This account shall include the pay, office, traveling, and other expenses of officers, their assistants, and office forces, of the accounting department.

OFFICERS AND EMPLOYEES

(Note § 31.01-8)

Accountants. (See also note to this account.)

Addressograph clerks.

Auditor of disbursements.

Auditor of receipts.

Auditors—general and division.

Billing clerks.

Bookkeepers.

Chief accountant.

Chief statistician.

Chief traveling auditor.

Clerks.

Comptroller.

Division auditor of disbursements.

Division auditor of receipts.

General accountants.

Office managers. (See also note to this account.)

Plant accountants.

Revenue accountants.

Statisticians.

Supervisors of methods, bookkeeping, vouchers, pay rolls, estimates, etc.

Tax accountants.

Traveling auditors.

Vice president in charge of accounting department.

Assistants authorized to act for officers of accounting department.

Office and staff forces (e. g., staff assistants, secretaries, stenographers, messengers,

office boys, etc.) of officers and employees of accounting department.

EXPENSES AND SUPPLIES

(Note § 31.01-8)

Automobile service, including charges through clearing account 702.

Books and periodicals for office use.

House service. (Note also account 707.)

Meals including payments therefor on account of overtime work.

Membership fees and dues of officers and employees in trade, technical and professional associations.

Office supplies.

Postage, including that used in mailing bills to customers by accounting department and in forwarding toll tickets to local collection offices.

Printing.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Stationery supplies.

Telephone and telegraph service, amounts paid others for.

Traveling expenses.

NOTE: The expense of accounting performed by employees of operating departments shall be charged to the appropriate accounts of those departments (e. g., the pay and expense of employees of local business offices engaged in keeping and billing customers' accounts shall be charged to account 645). (Note also § 31.6-63.)

§ 31.663 Treasury department. This account shall include the pay, office, traveling, and other expenses of officers, their assistants and office forces, of the treasury department.

OFFICERS AND EMPLOYEES

(Note § 31.01-8)

Cashiers. (See also note A to this account.)

Clerks.

Office managers.

Paymasters. (See also note A to this account.)

Supervisors of methods, stock and bond records, interest payments, etc.

Stock and bond ledger clerks.

Treasurer.

Vice president in charge of treasury department.

Assistants authorized to act for officers of treasury department.

Office and staff forces (e. g., staff assistant, secretaries, stenographers, messengers, office boys, etc.) of officers and employees of treasury department.

EXPENSES AND SUPPLIES

(Note § 31.01-8)

Automobile service, including charges through clearing account 702.

Books and periodicals for office use.

House service. (Note also account 707.)

Meals, including payments therefor on account of overtime work.

Membership fees and dues of officers and employees in trade, technical and professional associations.

Office supplies.

Postage.

Printing, including stock and bond certificates for transfer purposes. (See also note B to this account.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Stationery supplies.

Telephone and telegraph service, amounts paid others for.

Traveling expenses.

NOTE A: The pay and expenses of cashiers and paymasters employed by operating de-

partments shall be charged to the appropriate accounts of those departments.

NOTE B: The cost of printing stock certificates in connection with original and additional capital stock issues shall be charged to account 134:2, and the cost of printing bonds in connection with new or additional issues of long-term debt shall be accounted for as provided in § 31.1-15.

§ 31.664 *Law department.* This account shall include, when not provided for elsewhere, the pay, office, and other expenses of officers, their assistants and office forces, and other employees of the law department, the cost of suits and other law costs, including law expenses connected with damages.

OFFICERS AND EMPLOYEES

(Note § 31.01-8)

Attorneys.
Claim agents, investigators, and adjusters.
(See also note A to this account.)
Clerks.
Counsel.
General attorney.
General counsel.
General solicitor.
Law agents.
Law clerks.
Librarians.
Patent attorneys.
Solicitors.
Special counsel.
Tax attorneys.
Vice president in charge of law department.
Assistants authorized to act for officers of the law department.
Office and staff forces (e. g., staff assistants, secretaries, stenographers, messengers, office boys, etc.) of officers and employees of law department.

EXPENSES AND SUPPLIES

(Note § 31.01-8)

Automobile service, including charges through clearing account 702.
Agreements, briefs, contracts, legal forms and reports, cost of preparing and printing.
Collecting revenue and other accounts, law expenses in connection with.
Court expenses.
Depositions, cost of taking.
Examination of titles and other expenses incurred in suit to test validity of bond issue. (See also note B to this account.)
Fees and retainers of attorneys not regular employees.
Filing tax reports, passing tax claims, making returns to tax assessors, etc., cost of when handled by law department.
House service. (Note also account 707.)
Law books and periodicals.
Law expenses in connection with rate cases or filing or adjustment of rate schedules.
Law expenses of receivers.
Meals, including payments therefor on account of overtime work.
Membership fees and dues of officers and employees in trade, technical, and professional associations.
Office supplies.
Postage.
Premiums on surety bonds.
Printing.
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Special fees.
Stationery supplies.
Telephone and telegraph service, amounts paid others for.
Testimony, cost of printing and transcripts of.
Traveling expenses.
Witness fees.

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NOTE A: The pay and expenses of claim agents, investigators, and adjusters employed by departments other than the law department shall be charged to the accounts of the department by which they are employed.

NOTE B: Special law expenses incurred incident to the construction of telephone plant shall be charged to the appropriate telephone plant accounts; special law expenses incident to the issuance of capital stock and long-term debt shall be accounted for as provided in § 31.1-15 and account 134:2.

§ 31.665 *Other general office salaries and expenses.* This account shall include the pay, office, traveling, and other expenses of officers, their assistants, and office forces of general offices not properly chargeable to other accounts, such as those engaged in editing magazines or periodicals published in behalf of all departments and employees engaged in detective or protective services for the company's interest as a whole.

EXPENSES AND SUPPLIES

(Note § 31.01-8)

House service. (Note also account 707.)
Meals, including payments therefor on account of overtime work.
Membership fees and dues of officers and employees in trade, technical and professional associations.
Office supplies.
Postage.
Printing, including cost of printing magazines or periodicals published in behalf of all departments.
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Stationery.
Traveling expenses.

NOTE: The expenses of miscellaneous general activities when incidentally performed by employees of operating departments shall be included in the accounts of those departments. (Note also § 31.6-63.)

OTHER OPERATING EXPENSES

§ 31.668 *Insurance.* (a) This account shall include the cost, not provided for elsewhere, of commercial insurance to protect the company against losses and damages in its telephone operations. (Note also account 131.)

To this account shall be charged:

(1) The amount of insurance premiums paid to insurance companies.

(2) Special costs incurred in procuring insurance, such as brokerage fees, notarial fees, and insurance inspection service, and the pay, traveling, and office expenses of officers, clerks, and other employees of an insurance department.

(b) This account shall include also amounts credited to account 169, "Insurance reserve," for self-carried risks as provided in paragraph (b) of that account.

(c) This account shall include also the amount of insurance premium covering blanket policies for which there is not available an equitable basis for allocation to the several accounts which may be involved.

(d) A list of representative losses and damages follows, the insurance premiums for protection against which are chargeable to this account when incurred in connection with the company's telephone operations.

LOSSES AND DAMAGES

(Note § 31.01-8)

Burglaries, holdups, check alterations, and forgeries.

Damages to the property of others.

Defalcations of employees and agents.

Fire and other casualties to telephone plant.

Fire and other casualties to telephone plant rented to others, the rents from which are includible in account 524.

Injury to or death of employees.

Injury to or death of persons other than employees.

Loss due to business interruption (i. e., use and occupancy insurance).

Loss of service of employees through death, sickness, injury, or other cause.

Loss of unbilled toll tickets.

Nonperformance of contractual obligations of others.

NOTE: All losses and damages sustained, including those covered by commercial insurance or reserves carried in account 169, shall be charged to the depreciation reserve, construction, repair, accident and damages, or other appropriate account, according to the character of the losses. Insurance recoverable or chargeable to account 169 on account of losses and damages sustained shall be credited to the account to which the losses and damages are chargeable.

§ 31.669 *Accidents and damages.* (a) This account shall include expenses, not provided for elsewhere, on account of persons killed or injured and property of others damaged in connection with the company's telephone operations.

(b) When an admitted liability arises because of an accident or damage, any portion of such liability, estimated if not known, chargeable to this account (i. e., the amount in excess of the liability insured) shall be charged hereto and credited to account 174, "Other deferred credits." When an estimated liability has been so charged to this account, appropriate adjustments between this account and account 174 shall be made when the extent of the liability has been definitely ascertained. (Note also account 174 and § 31.01-4.)

(c) This account shall be credited and the appropriate property account charged with the amount of such accidents and damages due to construction work. (Note also § 31.2-22 (b) (6).)

(d) Accident and damage payments provided for by commercial insurance or by a reserve for self-carried risks shall be credited to this account and charged to the insurer or to the reserve carried in account 169, "Insurance reserve," as appropriate.

ITEMS

(Note § 31.01-8)

Amounts paid in settlement of personal injury or damage claims.

Damage payments resulting from errors in directory listings, directory advertising errors, and traffic service errors. (See also note A to this account.)

Damage to property of others, cost of. (See also note B to this account.)

Fees and expenses of surgeons, doctors, coroners, and undertakers.

Nursing, hospital attendance, and medical and surgical supplies, cost of. (See also note C to this account.)

NOTE A: Refunds of revenue overcharges in connection with such errors shall be charged to the revenue accounts originally credited.

NOTE B: The cost of incidentally repairing property of others damaged in the course of

maintenance or construction work shall be included in the cost of the work.

NOTE C: Payments to or on behalf of employees, including accident and death benefits, salary, hospital attendance and medical supplies; also salaries, fees and expenses of surgeons, doctors, and nurses, etc., shall be charged to account 672 when coming within the scope of a company's general provision for employees' benefits.

NOTE D: The pay and expenses of employees performing services in the investigation and adjustment of accident and damage claims shall be included in the accounts of the department by which such employees are employed.

§ 31.671 Operating rents. (a) This account shall include rents payable for the use of space in buildings occupied by the company, space in conduits, pole line space for attachments, instruments, equipment, and other telephone plant, the rent for which is not provided for elsewhere.

(b) This account shall include also taxes borne by the lessee of property, the rent for which is chargeable to this account.

ITEMS

(Note § 31.01-8)

Rents for location of poles, conduits, or cables.

Rents for use of general offices and central and branch telephone offices except rents chargeable to the clearing accounts.

Rents for use of ducts, conduits, and subways.

Rents for use of poles and buildings as supports for telephone circuits.

Rents for telephone instruments and equipment.

Rents for use of circuits.

NOTE A: Expenses incurred by the company in maintaining and operating property, the rent for which is includible in this account, shall be charged to the operating expense account appropriate for owned property.

NOTE B: This account shall not include rents provided for in the clearing accounts and in § 31.2-22 (b).

NOTE C: Rents for the exclusive use of telephone operating property held as a whole and operated by the company, such as a complete telephone plant, a complete exchange, or a complete toll system, shall be included in account 303.

NOTE D: The accounting for amortization of leaseholds and similar intangible telephone property carried in account 211 shall be as provided in account 613.

§ 31.672 Relief and pensions. (a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit, and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a company's general provision for employees' benefits.

(b) If the company has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the company shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current pay rolls, which, together with interest accruals on the trust funds, will as nearly

as may be, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to a separate subaccount under account 170, "Provident reserve." The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the company for pensions or annuities during the year and amounts paid into the trust fund. The company shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve or to account 413, "Miscellaneous debits to earned surplus." If a company pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions the company shall inform this Commission of the details of its pension plan giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each company that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to this Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

(f) This account shall include also, under a separate subaccount, amounts accrued to provide for the payment of termination allowances or similar benefits to employees of the company when such employees are laid off because of lack of work, and to provide necessary and warranted relief to former employees. Charges to this subaccount shall be made only after approval by this Commission of the company's plan for administering payments for these purposes and of the amount of the accruals. Amounts charged to this subaccount shall be concurrently credited to account 173, "Employment stabilization reserve."

(g) There shall be credited to this account that portion of each class of relief and pensions assigned to construction and custom work labor.

ITEMS

(Note § 31.01-8)

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.

Employees of relief, benefit, and general medical departments, pay and expenses of.

Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.

Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.

House service. (Note also account 707.)

Medical supplies.

Office supplies.

Postage, printing, and stationery.

Premiums paid for group insurance for the benefit of employees or their beneficiaries.

Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

§ 31.673 Telephone franchise requirements. (a) This account shall include the cost not provided for in account 202, "Franchises," of all services, plant, material and supplies, and similar items, including standard rates for telephone services, furnished to municipalities or other governmental authorities in compliance with franchises, ordinances, or similar requirements and for which no reimbursement or payment is received by the company. (See also note A to this account.) It shall include the cost of paving and of premiums on bonds required under the general terms of a franchise or ordinance and not in connection with specific construction or maintenance work.

(b) This account shall include also amounts paid for franchises running for 1 year or less after acquisition and may include direct charges for franchises acquired at small cost.

(c) Amounts charged to this account involving no direct money outlay, such as standard rates for telephone service rendered without charge, shall be credited to account 676, "Telephone franchise requirements—Cr."

NOTE A: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than 1 year shall be charged to account 202.

NOTE B: Franchise taxes paid annually or more frequently shall be charged to account 305.

NOTE C: The cost of plant used by a municipality without charge, or used by the company in rendering services to a municipality without charge, shall be included in the appropriate telephone plant accounts; maintenance expenses incurred in connection with such plant shall be charged to the appropriate maintenance accounts.

NOTE D: The cost of reconstructing or changing the location of plant to conform with municipal requirements including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance, telephone plant, and depreciation reserve accounts appropriate for the work performed.

NOTE E: The accounting for amortization of limited term franchises carried in account 202 shall be as provided in account 613.

§ 31.674 General services and licenses. This account shall include amounts payable for services received under a license agreement, a general service contract, or other arrangement providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services.

§ 31.675 Other expenses. This account shall include all operating expenses not properly chargeable to other accounts.

ITEMS

(Note § 31.01-8)

Amounts paid for patents having an estimated service life of 1 year or less and patents acquired at small cost.

Association dues.

Commissions paid agents for leasing space to others in buildings partly occupied by the company in connection with its telephone operations.

Cost of publishing reports to stockholders, notices of stockholders' meetings, election of directors, conversion of bonds, and dividends declared.

Cost of valuations, inventories, and appraisals of telephone plant made for rate case purposes, and those taken in compliance with orders of Federal, State, or other regulatory authorities. (See also notes B and C to this account.)

Fees and expenses of directors.

Fees of agents for registrations and transfers of outstanding capital stock.

Franks for use of officers and employees, cost of printing.

General audit of company's books by audit company, cost of.

House service furnished for space leased to others when not specifically reimbursed.

Losses from foreign exchange. (Note also § 31.01-7.)

NOTE A: The accounting for amortization of patents carried in account 203 shall be as provided in account 613.

NOTE B: The cost of valuations, inventories, and appraisals taken in connection with the contemplated purchase or sale of property shall be charged to account 139 pending further disposition.

NOTE C: The pay and expenses of officers and employees performing incidental services in valuations, inventories, and appraisals shall be included in the accounts ordinarily charged with their pay and expenses. (Note also § 31.6-63.)

§ 31.676 *Telephone franchise requirements*—Cr. This account shall be credited with amounts charged to account 673, "Telephone franchise requirements," for which there is no direct money outlay, such as standard rates for telephone service furnished without charge to municipalities in accordance with franchise requirements.

§ 31.677 *Expenses charged construction*—Cr. This account shall be credited and the appropriate construction accounts charged with amounts, not provided for elsewhere, representing the portion of operating expenses applicable to construction work. (Note also § 31.2-22 (b).)

INSTRUCTIONS FOR CLEARING ACCOUNTS

§ 31.7-70 *Purpose of clearing accounts*. The clearing accounts (702 to 707, inclusive) are provided as a medium for the distribution of certain items which affect more than one primary account and which cannot be appropriately allocated as they are incurred. (Note also § 31.01-2 (d).)

CLEARING ACCOUNTS

§ 31.702 *Vehicle and other work equipment expense*. (a) This account shall include the expense of operating vehicles and other work equipment, including expenses of garages, shops, toolrooms, and stables and the amount of depreciation charges applicable to the accounting period for plant classified in

account 264, "Vehicles and other work equipment," except equipment of storerooms.

(b) This account shall be cleared by adding to the cost of work performed such amounts as will distribute the total expense equitably. (Note also account 602:9.)

ITEMS

(Note § 31.01-8)

Books and periodicals.

Depreciation of vehicles and other work equipment, except equipment of storerooms.

House service. (Note also account 707.)

Insurance (see also note to account 668), including that against losses and damages to or by vehicles and other work equipment.

License fees for vehicles and for drivers.

Office supplies.

Overages and shortages in material and supplies for vehicles and other work equipment.

Postage, printing, and stationery.

Rent paid for and repairs of rented vehicles and other work equipment, garages, shops, toolrooms, stables, and other quarters. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Repairs of vehicles and other work equipment, and cost and repairs of individual items of small value or short life.

Supplies, such as feed, fuel, gasoline, oil, tires, tubes, tire chains, soap, waste, sponges, measures, funnels, electric power, etc., used in the operation of vehicles and other work equipment, garages, shops, toolrooms, and stables.

Supervising officers and their office and field forces, including inspectors, testers, garage-men, and other employees, pay and expenses of.

§ 31.704 *Supply expense*. (a) This account shall include the expenses incurred in connection with the purchase, storage, handling, and distribution of material and supplies which are not allocated to other accounts as incurred; and the amount of depreciation charges applicable to the accounting period for equipment of storerooms.

(b) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge which will distribute the total expense equitably.

ITEMS

(Note § 31.01-8)

Books and periodicals.

Depreciation of equipment of storerooms.

Discounts on material, cash and other. (See also note A to this account.)

House service. (Note also account 707.)

Overages and shortages in material and supplies which cannot be assigned to specific accounts. (Note also accounts 122 and 702.)

Insurance (see also note to account 668), including that against losses and damages to material and supply stock.

Losses due to depreciation, breakage, leakage, evaporation, and fire and other casualties to supply stock not assigned to specific accounts nor distributed through the pricing of materials and supplies disbursed.

Office supplies.

Postage, printing, and stationery.

Purchasing agents, superintendents, and supervisors of supplies, managers of stores, storekeepers, clerks, and laborers, pay and expenses of.

Rent paid for and repairs of rented storerooms, storerooms, storage yards, and other quarters. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Transportation charges, undistributed. (See also note B to this account.)

Traveling expenses.

NOTE A: So far as practicable, cash and other discounts on material shall be deducted in determining the cost of the particular material to which they relate or credited to the account to which the material is charged.

NOTE B: Transportation charges on material purchased shall be, so far as practicable, included as a part of the cost of the particular material to which they relate. Transportation charges on material recovered from plant shall be charged to the account to which the cost of removal is charged.

§ 31.705 *Engineering expense*. (a) This account shall include the expenses of the general engineering department.

(b) This account shall be cleared by apportioning the total expenses to the appropriate accounts on the basis of service rendered, as determined by the time devoted to particular jobs. (Note also account 602:9.)

ITEMS

(Note § 31.01-8)

Books and periodicals.

Engineering officials and employees, pay and expenses of.

House service. (Note also account 707.)

Office supplies.

Postage, printing, and stationery.

Rent paid for and repairs of rented offices. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Tools and instruments of small value or short life.

Traveling expenses.

NOTE: Expenses included in this account, incurred in connection with projects which are abandoned, shall be cleared to account 413. (Note also account 139.)

§ 31.706 *Plant supervision expense*. (a) This account shall include the expense of general supervision of the maintenance and construction of the plant where a department of the company's organization is charged with both maintenance and construction.

(b) This account shall be cleared on the basis of labor supervised except that charges for plant engineering shall be cleared by charges to the appropriate accounts on the basis of the time devoted to particular jobs. (Note also account 602:9.)

ITEMS

(Note § 31.01-8)

Books and periodicals.

House service. (Note also account 707.)

Office supplies.

Plant supervising officers and their staffs, including engineers, office and field forces charged with planning for and superintending the work of maintenance and plant construction, pay and expenses of. (See also note to this account.)

Postage, printing, and stationery.

Rent paid for and repairs of rented offices. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

Traveling expenses.

NOTE: The pay and expenses of foremen in direct charge of jobs, general foremen and other supervisory employees not engaged in the general supervision of maintenance, con-

struction, and plant removals, such as local plant administrative employees whose duties are limited as to functions or areas shall be included in the cost of the work supervised and not charged to this account.

§ 31.707 House service expense. (a) This account shall include the expenses of operating offices and buildings, whether owned or rented, when such expenses are not allocated, as they are incurred, to the operating expense and other accounts.

(b) This account shall be cleared by apportioning the entire expense to the operating expense and other accounts on the basis of the use made of such property.

ITEMS

(Note § 31.01-8)

Building superintendents and others engaged in supervising house service operations, pay and expenses of.

Cleaning supplies.

Elevator service.

Fuel.

Heat.

Janitor service.

Light.

Office supplies.

Postage, printing, and stationery.

Power. (Note also accounts 604 and 610.)

Refrigeration.

Rent paid for and repairs of rented quarters used in the supervision of general house service operations, other than space used by janitors and similar employees in furnishing house service for a particular building. (Note also § 31.2-23.)

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

RETIREMENT UNITS

§ 31.8 List of retirement units. The following list of retirement units shall be used in connection with the accounting provided in §§ 31.2-24, 31.2-25, but shall not be considered as determining the classification of the telephone plant involved.

212 Buildings.

A complete building.

An entire roof with or without supporting members.

NOTE A: A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.

A complete fire escape.

A complete metal window (i. e., box, frame, and sash).

A boiler, furnace, hot-water heater, or automatic stoker.

A coal or ash-conveying system.

An elevator complete with operating mechanism.

A gas-burner system.

A house-lighting or power board.

An oil-burner system.

An oil tank.

The floor covering for one room.

A motor, generator, engine, turbine, pump, compressor, ventilating fan, air washer, elevator drum, or similar item of equipment, with or without associated wiring, control equipment, etc.

NOTE B: In addition to the above retirement units, material (i. e., portions of buildings, equipment, fixtures, etc.) installed and retired, and the labor and incidental costs

involved in connection with work of the following character, shall be handled through the telephone plant and depreciation reserve accounts:

(1) Changes in the type of operation of elevator systems, e. g., a change from manual to signal control of cars, from manual to power operation of doors, from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another.

(2) Relocations of toilet rooms, battery rooms, kitchens, terminal rooms, machine rooms, transformer vaults, etc.

(3) Structural changes such as: (a) Reinforcements of floors, roofs, bearing walls, footings, and foundations; (b) additions or relocations of elevator shafts, stairways, fire exits, and vaults, but excluding switchboard cable holes and slots; and (c) building alterations required for fire protection and other safety measures.

(4) Changes in the type of electric current supply, or of ventilating, air conditioning, or similar systems.

(5) Building enlargements.

(6) Replacements of the following character—

(a) Replacements of plumbing or heating pipes (with or without associated valves) except when necessitated by minor repairs or minor relocations of fixtures.

(b) Replacements of all or substantially all of the lighting fixtures (with or without associated wiring and conduit) in one operating or equipment room or, in the case of office space, on one floor of a building.

(c) General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return, or air valves in heating systems; hot or cold water valves or faucets; plumbing, heating, or drainage traps.

221 Central office equipment.

Switchboards, desks, and testboards:

Switchboards (i. e., local, toll, dial system "A", cordless "B", call distributing "B", observing, teletypewriter, etc.) A complete section or lower unit.

Desks (i. e., operating, observing, testing, etc.) A complete section.

Testboards, or test and control boards (board type)—A complete section.

Testboards, or test and control boards (rack type):

All the equipment in one bay.

A complete upper unit.

A complete lower unit.

A complete installation of rack framework for one board.

Test panels: A complete panel.

Test cabinets: A cabinet complete with equipment.

Distributing frames:

Main distributing frames (including wall type): A complete installation for one central office (in multi-unit offices, for one operating unit).

Intermediate distributing frames: A complete installation for one central office (in multi-unit offices, for one operating unit).

Mezzanine balconies: A complete installation for one frame.

Racks:

Relay rack equipment:

A panel or unit complete with equipment.

All the equipment in one bay, exclusive of any panels or units.

Coil rack equipment: All the equipment on one shelf.

Message and traffic register rack equipment: All the equipment in one bay.

Iron framework: A complete line of rack with or without enclosing cabinet or case.

Cable:

All of the cables in one run used for the same purpose, such as between:

(1) Main frame and intermediate frame for subscribers' lines.

(2) Main frame and intermediate frame for outgoing trunk multiple.

(3) Intermediate frame and connector frame or final frame for subscribers' lines.

(4) Intermediate frame and answering jacks.

(5) Intermediate frame and switchboard for outgoing trunk multiple jacks.

(6) Intermediate frame and switchboard for subscribers' multiple jacks.

Iron framework: A complete installation of rack for one cable run.

Power equipment:

Frame or rack-mounted equipment:

A panel or shelf complete with equipment, such as fuses, meters, control equipment, etc.

Iron framework: A complete line of frame or rack for one fuse board, one power switchboard, etc.

A generator, motor, motor generator set, gas engine, rectifier, ringing machine, harmonic converter, pole changer, interrupter, power filter, or choke coil.

Storage batteries:

A complete battery with or without rack, cabinet, or counter electric motive force cells.

All positive or all negative plates in an entire battery, i. e., in all cells of a 24-volt battery, in all cells of a Morse battery, etc.

All tanks or all jars of an entire battery.

A complete battery rack or cabinet, storage or dry.

A complete group of bus bars, cable, or wiring (with or without conduit) such as between:

Battery and fuse panel.

Power switchboard and machines.

Telephone repeater equipment (including testing equipment):

A complete floor mounted rack type set.

Relay rack mounted equipment:

A panel or unit complete with equipment.

All the equipment in one bay, exclusive of any panels or units.

Coil rack mounted equipment: All the equipment on one shelf.

Iron framework: A complete line of rack.

Carrier equipment (telephone, telegraph, repeater, and testing equipment):

A complete floor mounted rack type set.

Relay rack mounted equipment:

A panel or unit complete with equipment.

All the equipment in one bay, exclusive of any panels or units.

A line filter.

A complete test table.

Iron framework: A complete line of rack.

Telegraph equipment (printer and manual):

Telegraph testboards: A complete section or bay.

Duplex, single line telegraph, and polar repeaters: A table or bay complete with equipment.

Metallic telegraph repeaters:

A complete floor mounted rack type set.

A panel or unit complete with equipment.

Voice frequency carrier equipment: A panel or unit complete with equipment.

Voice frequency carrier battery supply apparatus:

A complete bay of equipment.

A complete test table.

Iron framework: A complete line of rack.

Telephotograph equipment:

Table-mounted sending or receiving equipment:

A table complete with equipment.

A complete optical system.

A complete mechanical system.

A complete fork box.

A complete amplifier-modulator box.

Rack-mounted sending or receiving equipment:

A panel complete with equipment.

All the equipment in one bay.

Iron framework: A complete line of rack.

Power equipment:

A complete power board.

A complete storage battery.

Photographic equipment:

A copying camera or a copying, enlarging, and reducing camera, each with or without

associated stands, illuminators, and copy boards.

A print machine.

A drying cabinet.

A developing, fixing, and washing tank.

Radio equipment:

Complete transmitter.

Miscellaneous equipment:

A calulagraph, a master clock, or a secondary clock.

Electrically driven calulagraph and clock systems: A complete installation.

Mechanical or pneumatic tube ticket distributing system: A complete installation.

Each complete tool or portable test set the original cost of which was charged to the telephone plant account, such as a plug remover and attachment, cam aligning fixture, multiple bank resetting gage, or shaft straightening tool, a relay adjusting set, line-finder set, or wagon-type set.

Each complete item of furniture or other miscellaneous equipment, the original cost of which was charged to the telephone plant account, such as a desk or table equipped with central office equipment, an operator's chair, a complete switchboard platform, an operator's telephone set cabinet, a rotary file or directory cabinet, a ticket cabinet or rack, a tarpaulin with or without cabinet, a portable service-observing cabinet, or a holding-time recorder.

Loud speaker equipment: A complete installation.

Aisle-lighting equipment: A complete installation on one floor.

Rolling ladders: A complete installation for one side of one frame or rack.

Message and traffic register cabinets: A cabinet complete with equipment.

Teletypewriter sets: Units specified under account 231.

Panel dial system equipment:

A complete equipment frame such as line-finder frame, line-switch frame, selector frame, link frame, routine test frame, decoder frame, sender frame, or floor alarm board.

Pulse-machine equipment: A complete pulse machine.

Pulse-machine control apparatus: A complete installation controlling a set of pulse machines.

Step-by-step dial system equipment:

A complete equipment frame, such as a line-finder frame, line-switch frame, selector frame, connector frame, or repeater frame.

Key-indicator equipment or key-pulsing equipment:

A complete equipment frame, such as a link or sender frame.

NOTE: When work of the following character is performed as a special job in a central office or at a multiple or dial private branch exchange for the purpose of improving or changing the type of the equipment, the material installed and retired and the labor and incidental costs involved shall be handled through the telephone plant and depreciation reserve accounts.

(1) Conversions of one or more switchboard positions, or dial-system frames, from one type to another, such as from subscribers' to toll, subscribers to rural, inward tool to combined line and recording, manual B to call indicator B, or from panel B switchboard incoming frame to interoffice incoming frame.

(2) Conversions of circuits from one type to another, such as conversions of cord circuits from two-party ringing to four-party selective ringing, semi-selective ringing to selective ringing, or from manual recall to flashing recall, and conversions of panel-sender circuits from noncoin to coin and from two digit to three digit.

(3) Replacements of items of one type with items of a different type for such reasons as improving signaling or transmission characteristics, changing operating methods or increasing capacity of the office, e. g.:

(a) Replacements of all the relays or repeating coils of one type in a central office with relays or coils of an improved type for the purpose of improving the signaling or transmission characteristics.

(b) Replacements of items of equipment in dial offices because of a change in the method of operation to multiple registration.

(c) Replacements of items of power equipment because of a change in power purchased from direct current to alternating current.

(d) Modifications of the trunk and cord circuits of multiple manual private branch exchange boards necessitated by a cut-over of a central office district to dial operation.

(e) Replacements of protectors of one size with protectors of a smaller size on a main distributing frame so that more protectors may be installed in the same space.

(f) Replacements of 20 pair terminal strips on a main distributing frame with 50 pair strips to increase the capacity of the frame.

(g) Replacement of jack strips having 10 jacks per strip with strips having 20 jacks per strip to increase the capacity of a switch board.

(h) Replacement of keys of one type with keys of a different type to permit more keys to be placed in the same position.

231 Station apparatus.

A complete station.

A desk stand, with or without transmitter, receiver, or dial.

A hand set (i. e., transmitter, receiver, and handle).

A hand set mounting, with or without dial.

A wall set, with or without transmitter, receiver, or dial.

A bell box or other subscriber set, such as extension bell, signal horn, etc.

A coin collector, with or without transmitter, receiver, or dial.

A complete apparatus cabinet.

A complete key cabinet or key box.

An intercommunicating system key.

NOTE: The original cost less salvage of the following items of station apparatus not designated retirement units shall be charged to the depreciation reserve account when lost, destroyed, junked, or otherwise disposed of:

A hand-set handle.

A transmitter.

A receiver.

A dial.

A dial mounting.

A switching key (individually mounted type).

Teletypewriter equipment:

A complete station.

A printer or teletypewriter.

A printer or teletypewriter table or stand.

A base (printer or reperforator).

A cover (printer or reperforator).

A printer unit or typing unit.

A keyboard unit.

A distributor unit.

A transmitter unit.

A perforator unit.

A reperforator unit.

A relay box with equipment.

A motor or motor unit (excluding the motor of a motor generator set).

A motor generator set.

A rectifier unit.

A loop switchboard.

A station signaling set.

Manual telegraph equipment:

A complete station.

A loop switchboard.

Program supply and public address equipment:

A microphone transmitter.

A microphone transmitter mounting.

An amplifier.

A loud-speaking receiver.

A horn.

An observer's telephone set.

A complete dynamotor, motor generator, rectifier, or storage battery.

A complete control cabinet, resistor cabinet, or junction box.

A battery cabinet.

Rack mounted equipment:

All the equipment in one bay.

A panel complete with equipment.

Iron framework—a complete line of rack.

Portable equipment—A complete item of portable equipment, with or without the carrying case (e. g., an amplifier, a transmitter mixing panel, an oscillator, or an equalizer).

Radio receiving sets and equipment associated therewith—A complete installation.

232 Station installations. (Note § 31.2-25 (b).)

233 Drop and block wires. (Note § 31.2-25 (b) and account 605.)

234 Private branch exchanges.

A complete cordless or nonmultiple switchboard, with or without local storage batteries or cables classified as P. B. X. equipment.

An apparatus cabinet as used with certain nonmultiple boards.

A complete section of an order-receiving table.

An order turret (not including the turrets forming part of an order-receiving table).

An attendant's cabinet complete with equipment.

A code sending set or code call unit.

A complete teletype switchboard.

An operator's chair.

Multiple private branch exchange equipment and private dial system equipment (except as provided below): Units specified under account 221, "Central office equipment."

An equipment cabinet complete with batteries and switching equipment mounted therein, as generally used with a dial system installation of small capacity.

Local storage battery plants of the type used to serve several nonmultiple boards or of the type used with certain small multiple P. B. X. installations—An entire battery with or without cabinet or control apparatus.

Local automatic power plants of the type used to serve a small dial or a small multiple P. B. X.:

A control cabinet, with or without charging or ringing equipment.

An entire battery, with or without cabinet or counter E. M. F. cells.

235 Booths and special fittings. (See § 31.235.)

A booth compartment, with or without special fittings or associated furniture and fixtures such as chairs, directory racks, directory tables, and counters.

An attendant's desk including equipment or a switchboard.

241 Pole lines. (See § 31.241.)

A pole (i. e., line pole, brace pole, guy stub, or pole forming part of A or H fixture), a pole stub, or a pole butt, with or without associated anchors, guys, steps, etc.

A crossarm (i. e., a wooden crossarm, guard arm, or cable crossarm, including extension arms), with or without associated braces and other hardware.

A special fixture (i. e., a bridge fixture, a tower or other special river-crossing or long-span fixture), with or without associated anchors, guys, etc.

242:1 Aerial cable. (See § 31.242:1.)

242:2 Underground cable. (See § 31.242:2.)

242:3 Buried cable. (See § 31.242:3.)

242:4 Submarine cable. (See § 31.242:4.)

A span of cable, with or without associated suspension strand, clamps, rings, etc. (The term "a span" shall include a length of cable from a Y splice not located at a pole to a pole or building.)

A section or run of cable, with or without associated elements and parts, as follows:

(1) Between a manhole, handhole, or service box and a pole, building, fence, wall, or the junction with house cable.

(2) Between manholes, handholes, or service boxes; or between an office cable vault and an office manhole.

(3) Between a cable vault or an office manhole and the junction with the main frame terminating cables.

(4) A section of buried cable 300 feet or more in length, or a section of buried cable between manholes, splicing boxes, or pedestals.

(5) All of a continuous run of one size of house cable. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(6) All of a continuous run of one size of block cable, i. e., cable attached to buildings, walls, or fences. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(7) All of a submarine cable for one crossing; or a section of submarine cable 300 feet or more in length.

(8) A section of underground dip cable between poles and/or buildings, or the appropriate units listed above.

Any length of cable which is a continuation of a unit of cable and is replaced with such unit.

Any length of cable connected with but not a part of a terminal, or a case of equipment such as loading coils when replaced with the terminal or case of equipment.

Main frame terminating cables (generally silk and cotton insulated): All the cables including forms used for terminating one outside cable.

A complete cable terminal, protected or unprotected, with or without associated balcony, pole seat, pedestal, etc.

A pressure contactor terminal, with or without contactor.

A house cable terminating frame.

A submarine cable hut or house.

A submarine cable anchorage.

A submarine cable terminating frame.

A fuse pot.

A case of equipment such as loading coils, building-out condensers, carrier line filters, or auto-transformers.

243. *Aerial wire.* (See § 31.243.)

Two continuous spans or more of one wire, with or without associated insulators, transposition brackets, etc.

A case of equipment such as loading coils, building-out condensers, carrier line filters, or auto-transformers.

An antenna, complete with or without supports.

244 *Underground conduit.* (See § 31.244.)

A section of conduit—

(1) Between two manholes, handholes, or service boxes.

(2) Between a manhole, handhole, or service box and a pole or building.

(3) Between a central office cable vault and an office manhole.

(4) Underground dips—between two poles; between a pole and a building; between two buildings; or units (1) and (2) above.

A manhole, handhole, or service box.

NOTE: When a manhole is reconstructed, i. e., enlarged or changed in design, the investment representing portions of the manhole removed, whether or not replaced, should be written off to the depreciation reserve account.

261 *Furniture and office equipment.* (See § 31.261.)

Each complete item of furniture or equipment, the original cost of which was charged to the telephone plant account, such as:

A desk, chair, table, piano, davenport, typewriter, computing machine; a section of bookcase, filing cabinet, shelving, bins, or counter; a rug, a carpet, or other floor covering for one room.

264 *Vehicles and other work equipment.* (See § 31.264.)

Each complete item of equipment, the original cost of which was charged to the telephone plant account, such as:

A passenger automobile or truck with or without body; a tractor; a pole jack, splicer's

tent or extension ladder; a pole derrick, power winch, earth boring machine, or trailer; a portable test set; a wire measuring machine.

APPENDIX A

TELEPHONE ACCOUNTING BULLETIN NO. 1; INTERPRETATIONS OF THE ACCOUNTING REQUIREMENTS CONTAINED IN THE UNIFORM SYSTEMS OF ACCOUNTS FOR TELEPHONE COMPANIES (CLASSES A, B, AND C) PRESCRIBED BY THE FEDERAL COMMUNICATIONS COMMISSION, SEPTEMBER 8, 1942 (REVISED TO MAY 12, 1948)

NOTE: The date appearing herein opposite the number of each case is the date of issuance of the Telephone Accounting Circular in which the case originally appeared.

Case 1

DECEMBER 11, 1935.

Question: What will be the status, after December 31, 1935, of the accounting regulations relating to the break-down of the depreciation reserve account into component parts corresponding to the primary telephone plant accounts?

Answer: All provisions of the uniform system of accounts for telephone companies promulgated under Telephone Division Order No. 7-C, of June 19, 1935, including those relating to the break-down of the depreciation account, will become effective on January 1, 1936.¹ Particular attention is directed to the pertinent provisions of paragraph (c) of account 171, "Depreciation reserve."

Carriers shall break down the balance of their respective depreciation reserves (account 171, "Depreciation reserve") in such manner as to show the amounts embraced therein in accordance with the historical development of such reserves with respect to each depreciable plant account, and shall report such break-down in the appropriate schedules of the annual reports to the Commission.

Case 2

OCTOBER 14, 1936.

Question: What is the appropriate accounting with respect to taxes imposed under the Social Security Act and similar State statutes?

Answer: Amounts of such taxes, or accruals prior to payment, may represent taxes for which the company is liable on its own behalf as an employer or amounts for which it is liable on behalf of its employees.

The amounts of accruals for which the company is liable on its own behalf should be charged to account 305, "Operating taxes,"² to the telephone plant accounts (§ 31.2-22 (b) (8)).³ and to account 322, "Miscellaneous taxes,"⁴ as appropriate, so as to apportion the total tax equitably among the costs of rendering public utility service, of construction of telephone plant, and of other operations of the company. The amounts charged to the foregoing accounts should be credited to account 166, "Taxes accrued."⁵ The amounts of payments to the United States Treasury or other governmental agency should be charged to account 166.⁶

The amounts deducted from the pay of employees for which the company is liable on behalf of its employees should be segregated in appropriate accounts classified under account 159:2, "Other accounts payable."⁷

¹ But see Telephone Division Order No. 7-D, of January 6, 1937; extending the effective date to January 1, 1937.

² For class C companies: Account 5400, "Operating taxes."

³ For class C companies: § 33.32 (b) (8).

⁴ For class C companies: Account 7000, "Miscellaneous taxes."

⁵ For class C companies: Account 2400, "Accrued liabilities."

⁶ For class C companies: Account 2320, "Accounts payable." (Second subdivision prescribed by paragraph (b).)

The amounts of payments to the United States Treasury or other governmental agency should be charged to account 159:2.⁸

Nothing contained in this accounting ruling shall be construed as committal of the future action or policy of the Commission with respect to accounting or other treatment of accruals, payments, and funds under voluntary or private plans for provident relief or pensions.

Case 3

MARCH 13, 1939.

Question: "Straight-line method" of accounting for depreciation, as defined in the uniform system of accounts for class C telephone companies (§ 33.65 (b)) differs from the definition in the uniform system of accounts for class A and class B telephone companies (§ 31.01-3 (f)) in that the expression "as nearly as may be" is omitted from the former. Shall the instruction for class C companies be more strictly construed because the expression "as nearly as may be" is not included in the instruction?

Answer: No. § 33.65 (b) shall be construed as having the same meaning as § 31.01-3 (f).

The use of the expression "as nearly as may be" indicates cognizance of the impossibility of making perfect estimates of service lives and net salvage values. It is not intended that the periodic accounting by telephone companies for depreciation shall vary arbitrarily or by reason of fluctuations in gross or net operating revenues or the economic fortunes of the business.

Case 4

MARCH 13, 1939.

Question: What account shall be credited with amounts of interest which have accrued on advances from affiliated companies when such advances are classified as long-term debt?

Answer: Amounts of such interest are includible in account 167, "Unmatured interest, dividends, and rents accrued,"¹ until the interest becomes payable, at which time such amounts are includible in account 159:1, "Accounts payable to affiliated companies,"² except that the amount of such interest payable as is not subject to current settlement shall be included in account 156, "Advances from affiliated companies."³

Case 5

MARCH 13, 1939.

Question: How shall class C telephone companies account for the cost of installation of the various classes of items of which the "material" cost is includible in account 1031, "Station equipment"?

Answer: The cost of installing items of "station apparatus" shall be included in account 1032, "Station wiring." The installation cost of "private branch exchanges, booths, and special fittings, and other apparatus not includible in account 1021, 'Central office equipment,'" shall be included in account 1031.

Case 6-R-1 (Cancels Case 6)

JULY 13, 1939.

Question: What is the correct interpretation of § 31.2-21 and its related regulations in Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies) of the Commission's Rules and Regulations concerning the acquisition of "a substantially complete telephone system, exchange, or toll line"?

¹ For class C companies: Account 2400, "Accrued liabilities."

² For class C companies: Account 2320, "Accounts payable." (First subdivision prescribed by paragraph (b).)

³ For class C companies: Account 2250, "Advances from affiliated companies."

Answer: ²⁰ Paragraphs (a) and (b) as used in § 31.2-21, of the effective system of accounts for telephone companies, the former of which paragraphs includes the expression, "a substantially complete telephone system, exchange, or toll line" shall be interpreted to mean that all telephone plant acquired from predecessors shall be accounted for in accordance with the provisions of those paragraphs of the instruction unless the property acquired (a) comprised only a few poles or relatively unimportant units of property not to be used in the assemblage of which they were formerly a part, (b) was not substantial in quantity, and (c) was acquired at small cost. In the event that the acquisition involved only a few poles or relatively unimportant items of property acquired separately and at a small cost, the accounting therefor shall be as provided in paragraph (c) of that section except that if the property was acquired with the telephone traffic associated therewith, the accounting therefor shall be in accordance with paragraphs (a) and (b) of § 31.2-21.

Such acquisitions as the following (subject to the exceptions noted in the paragraph next above) shall be accounted for as "a substantially complete telephone system, exchange, or toll line":

(a) A line of poles, with or without cross-arms or other attachments and without wire, cable, or any other class of associated plant.

(b) A line of conduit, without cable or any other class of associated plant.

(c) A run of cable, without conduits, poles, or any other class of associated plant.

(d) A run of one or more open wires, without poles, crossarms, or any other class of associated plant.

(e) An extensive section of right-of-way, without poles, conduit, wire, cable, or any other class of associated plant.

(f) A general office building, other principal buildings, or group of such buildings, without other classes of associated plant.

(g) Extensive parcels of unimproved land or land upon which buildings such as indicated in paragraph (f) above are situated.

(h) All the central office equipment, station apparatus, station installations, drop and block wires, private branch exchanges, booths and special fittings, furniture and office equipment, or vehicles and other work equipment situated in or utilized in a single exchange area, central office area, or other extensive area, without additional classes of associated plant.

(i) All that portion of any of the foregoing items which constitutes toll facilities as distinguished from exchange facilities, or vice versa, or which constitutes long-lines toll facilities as distinguished from more localized toll facilities or vice versa.

NOTE: It is recognized, however, that even under the foregoing rules of guidance it is sometimes difficult to make all the minor segregations contemplated. Accordingly, an acquisition without traffic from a nonaffiliate is not required to be accounted for as an acquisition of a substantially complete telephone system, exchange, or toll line if the cost of acquisition is less than \$5,000 in the case of a class A company or less than \$1,000 in the case of a class B company. (This note was adopted by the Commission June 20, 1944, to become effective immediately.)

Case 7

JULY 13, 1939.

Question: Shall the acquisition of (a) an undivided or other type of interest in, or (b) an entire interest in a portion of, any part of a telephone plant be accounted for as "a substantially complete telephone system, ex-

²⁰ For class C companies: This answer is deemed pertinent to the expression "a substantially complete operating unit or system," appearing in § 33.32, "Telephone plant acquired."

change, or toll line" when such part, if entirely owned or acquired by the accounting company, would be so considered?

Answer: ²⁰ Yes.

Case 8

JULY 13, 1939.

The Commission on April 24, 1945, deleted case 8, effective January 1, 1946.

Case 9-R-1

FEBRUARY 1, 1940.

Question: The use, especially in rural sections, of two or more conductor rubber insulated wire buried in the ground with or without conduit or other protection instead of overhead wires and also its use for underground dips under railroads, etc., either with or without conduit pipes, raises a question as to the appropriate accounting therefor to conform with provisions of the effective uniform system of accounts for telephone companies. It is necessary when this rubber covered wire is buried in the ground that a separate ground wire be buried with it or that the rubber insulated wire itself be covered with a metallic braid to serve the purpose of the ground wire. To what account should the cost of such plant be charged?

Answer: With respect to both the basic structure and the conductor serving as a ground (except when, constituting underground dips, which may be viewed as a virtual part of the adjoining conductor structure), the cost shall be included in account 242:3, "Buried cable," unless protected by a structure reusable in place for other cable, in which event the cost of these wires shall be included in account 242:2, "Underground cable," and the cost of the protective structure shall be included in account 244, "Underground conduit" (see account 244, note A). (The foregoing does not apply to drop wires, even if buried, extending from the point of connection with the general overhead or underground system to the subscribers' premises—see account 233, "Drop and block wires.")

Case 10

AUGUST 16, 1939.

STATEMENT OF FACTS

Amounts included in account 100:4, "Telephone plant acquisition adjustment" ²¹ subdivided as provided in the text of the account, may include the following:

(a) Debit amounts with respect to one or more transactions which in the opinion of the carrier should be charged to surplus.

(b) Credit amounts with respect to other transactions than those reflected in the debit amounts mentioned in the preceding subparagraph, or of a different character, which have not been submitted to the Commission for its consideration.

Question: May all or any of such credit amounts be netted with all or any of such debit amounts and the resulting debit amount charged to surplus or amortized, without further direction or approval, as provided in subparagraph (1) of paragraph (c) in account 100:4? ²²

Answer: No. Only amounts mentioned in subparagraph (a), aforementioned, may be treated as provided in subparagraph (1) of § 31.100:4 (c). Amounts of the character referred to in subparagraph (b) of the "statement of facts" shall be submitted to the Commission as required by subparagraph (2) of § 31.100:4 (c). ²³

²¹ For class C companies: Not applicable to class C companies as one account includes the cost of all of the types of property involved.

²² For class C companies: Account 1032, "Station wiring."

²³ For class C companies: Account 1200, "Plant adjustments."

Case 11

AUGUST 16, 1939.

STATEMENT OF FACTS

The A Company has under consideration (in 1939) the taking over of the physical properties of the B Company and the C Company (wholly owned subsidiaries), and operating them directly as a part of its own property. The A Company in 1933 acquired substantially all of the outstanding common capital stock of the B Company, which company then held more than 99 percent of the common stock of the C Company. In 1936 the B Company's holdings of the C Company's common stock were sold to the A Company for the amount this stock cost the B Company. Both subsidiaries for some time have been operated as a part of the A group, having common officers. Their accounts have also been under close supervision of the A Company.

Although the A Company acquired only the B Company's capital stock in 1933, and in 1936 acquired only the C Company's capital stock, the year 1933 is, for accounting purposes, taken as the date when the B Company, as well as the C Company, became part of the A group of properties.

Based upon these facts, and if the accounting company be held responsible for the verity of all amounts used, is the accounting procedure hereinafter outlined satisfactory?

Question (a): May the cost to the merging company (A), at the time of the merger, of the total net assets taken over be determined by adding to the amount which the A Company paid for the B and C Companies' common stocks the amount of the now outstanding investment advances made by it to these subsidiaries, and deducting from this total the decrease in surplus suffered by Companies B and C since 1933?

Answer (a): Yes, for B Company. C Company's surplus should be adjusted to reflect its surplus at date of acquisition of C Company by B Company.

Question (b): Should the decrease in surplus of the two subsidiary companies since the respective dates of acquisition be charged directly against the surplus account of the A Company?

Answer (b): Yes.

Question (c): May the cost of telephone plant acquired from the subsidiaries be determined by deducting from the adjusted cost (computed as indicated in question (a)) of the total net assets of the subsidiaries the amounts representing the cost of net assets acquired other than telephone plant or by adding to such adjusted cost the amount representing the net liabilities assumed, exclusive of telephone plant, as appropriate?

Answer (c): Yes, provided that full explanation is furnished together with complete details concerning any estimates or allocations of amounts representing cost of net assets acquired or amount of net liabilities assumed.

Question (d): May the cost of telephone plant taken over, determined in conformity with the procedure outlined in question (c), be charged to account 276, "Telephone plant acquired"? ²⁴

Answer (d): Yes.

Question (e): May the amounts carried in the depreciation reserve accounts of the B and C Companies be considered for the purpose of these mergers as the "reserve requirements" referred to in § 31.2-21 (b) (2) ²⁵ of the effective system of accounts, and charged and credited, respectively, to account

²⁴ For class C companies: Account 1076, "Telephone plant acquired."

²⁵ For class C companies: "No section exactly comparable but see § 33.32 (b), * * * distributed to the telephone plant and other appropriate accounts * * *"

276¹⁴ and account 171, "Depreciation reserve,"¹⁵ of A Company?

Answer (e): Yes, subject to the proviso that responsibility for the accuracy of the amounts rests with the accounting company, and that if subsequently by further investigation and analysis, or otherwise, different amounts are determined as the correct "reserve requirement" applicable to the plant acquired, appropriate adjustment shall be made.

Question (f): Should the "original cost"¹⁶ of the telephone plant be credited to account 276¹⁴ and charged to the appropriate plant accounts (100:1, "Telephone plant in service,"¹⁷ 100:2, "Telephone plant under construction,"¹⁸ and 100:3, "Property held for future telephone use"),¹⁹ and the amount then remaining in account 276 cleared to account 100:4, "Telephone plant acquisition adjustment,"²⁰ of the A Company?

Answer (f): Yes.

Case 12

FEBRUARY 10, 1941.

STATEMENT OF FACTS

A company formerly had outstanding 3,700 shares of 7 percent cumulative preferred stock (par value, \$50 per share), which was callable at a premium of \$2.50 per share. The company issued 3,700 shares of 6 percent cumulative preferred stock (par value, \$50 per share), callable at a premium of \$2.50 per share.

The greater portion of the new stock was issued in exchange for the old stock on a share-for-share basis. The remainder of the new stock was sold for cash at \$52.50 per share, and the cash proceeds were devoted to reacquisition of the remainder of the old stock at \$52.50 per share.

Question (a): Should the new stock which was issued in exchange for the old stock on a share-for-share basis be accounted for as though there had been no premium paid on the old stock and no premium received from the sale of the new stock, or should premiums in both instances be accounted for?

Answer (a): To the extent that the new stock was exchanged on a share-for-share basis for the old stock the appropriate amount included in one subaccount of account 150, "Capital stock"²¹ (7 percent preferred), should be transferred to another subaccount of account 150, "Capital stock" (6 percent preferred), for the reason that no call premium was paid on the shares of 7 percent preferred stock exchanged and no premium was received on the shares of 6 percent preferred stock issued in exchange therefor.

Question (b): Would it be proper, under the existing circumstances, to offset the premium paid on the old stock reacquired for cash against the premium received on the new stock sold for cash?

Answer (b): No. The premium of \$2.50 per share received on the new stock sold for cash should be credited to account 152, "Premium on capital stock."²² The call premium paid on those shares of 7 percent pre-

ferred stock that were redeemed should be accounted for as provided in § 31.1-14 (e).²³

Case 13

FEBRUARY 10, 1941.

Question: Several companies which have refunded bond issues have had substantial tax savings in the year in which the refunding occurred, because the unamortized debt discount and expense and the call premium associated with the refunded securities are permitted as income tax deductions during the year in which the securities are redeemed. Instead of showing in the tax account only the actual taxes paid or accrued, the companies in question have also included therein the amount of the tax savings due to the refunding operation, with an offsetting credit, usually to account 135, "Discount on long-term debt."²⁴ Is this permissible?

Answer: No. Account 305, "Operating taxes,"²⁵ should include provision for actual taxes only, and the account should not be increased by the amount which would have been paid had the refunding transaction not occurred. In other words, there was an actual saving in taxes, and this saving should be reflected in the income statement because it is a fact.

Case 14

FEBRUARY 10, 1941.

Question: What should be the accounting by a telephone company to record the transactions under an agreement whereby an electric utility conveys to the telephone company title to a pole line, agrees thereafter to pay one-half of the cost of any poles installed therein as replacements, and receives as consideration the right to use the poles in this line?

Answer: The telephone company should debit to account 241, "Pole lines,"²⁶ the original cost (estimated if not known) of the poles acquired from the electric utility, with concurrent credits to account 171, "Depreciation reserve,"²⁷ for the accrued depreciation, and to account 174, "Other deferred credits,"²⁸ for the difference. The latter credit should be spread over the estimated remaining service life of the pole line by debits to account 174 and concurrent credits to account 524, "Rent revenues."²⁹

Subsequent amounts received from the electric utility in part payment for the poles installed in replacement should be credited to account 524 as received.

Case 15

FEBRUARY 10, 1941.

Question: What is the proper accounting for the pay of employees of telephone companies that is continued while the employees are in the military service or in other governmental service originating through the national emergency?

Answer: The pay of employees of telephone companies that is continued while the employees are in the military service or in other governmental service originating through the national emergency shall be charged to a separate subaccount under account 672, "Relief and pensions."³⁰

Case 16

JULY 22, 1942.

The Commission on April 24, 1945, deleted Case 16, effective January 1, 1946.

Case 17

JANUARY 2, 1943.

Question: What is the proper accounting under the Uniform System of Accounts for golf club dues, social club dues, service club dues (Rotary, Kiwanis, etc.), "house charges," entertainment of employees and of members of employees' families and others and items of a similar nature?

Answer: Such expenditures are chargeable to account 323, "Miscellaneous income charges."³¹ They are not to be charged to operating expenses of the company. This interpretation applies whether the expenditures are made directly by the operating company, indirectly through payments to an associated company, or are in the form of reimbursements to officers or other employees, or by any other direct or indirect means.

NOTE A: Membership fees and dues in bona fide trade, technical, and professional associations are chargeable to the account appropriate for expenses incurred for the direct benefit of a particular department, or to account 675, "Other expenses,"³² if the benefit is of a general character.

NOTE B: Only the reasonable expenses of bona fide educational and recreational activities conducted for the benefit of employees of the company are chargeable to the accounts appropriate for expenses incurred for the direct benefit of the several departments of the company, or to account 675 if of a general character.

Case 18

JUNE 21, 1944.

Question: Under arrangements with other parties the company agrees to the construction, changes in the location of or removal of telephone plant to meet the desires of others. As a consideration the company receives reimbursement for all or a portion of its cost of the work or receives title to certain plant which the other party furnishes in connection with the work. What should be the accounting for the reimbursement or plant received under such arrangements?

Answer: The cost of plant retired in connection with such transactions should be accounted for in accordance with the rules applicable thereto. The cost of new plant should be included in the appropriate plant accounts at actual cost of construction. The amount of any reimbursement recovered by the company shall, unless the arrangement provides otherwise, be applied in the following order: first, against any maintenance expenses incurred in the work, second, against any net charges made against the depreciation reserve for plant retired in excess to the depreciation provided and, third, against the plant accounts charged with the cost of construction.

Case 19

JULY 14, 1944.

Question: What accounts should be charged with duplicate interest in refunding transactions?

Answer: Duplicate interest should be charged to the appropriate interest account as a deduction from current income unless permission to defer the amount is obtained from the Commission.

³¹ For class C companies: Account 7100, "Other miscellaneous deductions from income."

³² For class C companies: Account 4190, "Other operation expenses."

¹⁴ For class C companies: Account 1076, "Telephone plant acquired."

¹⁵ For class C companies: Account 2600, "Depreciation reserve."

¹⁶ For class C companies: See § 33.32 (a), " * * * amount paid for the property, * * * ."

¹⁷ For class C companies: Account 1000, "Telephone plant."

¹⁸ For class C companies: Account 1100, "Telephone plant under construction."

¹⁹ For class C companies: Account 1200, "Plant adjustments."

²⁰ For class C companies: Account 2100, "Capital stock."

²¹ For class C companies: Account 2150, "Premium on capital stock."

²² For class C companies: § 33.21 (h) of this chapter.

²³ For class C companies: Account 1880, "Unamortized debt discount and expense."

²⁴ For class C companies: Account 5400, "Operating taxes."

²⁵ For class C companies: Account 1045, "Poles, conduit, cable, and wire."

²⁶ For class C companies: Account 2600, "Depreciation reserve."

²⁷ For class C companies: Account 2590, "Other deferred credits."

²⁸ For class C companies: Account 3060, "Miscellaneous operating revenues."

²⁹ For class C companies: Account 4190, "Other operation expenses," item 15, appropriately subdivided.

Case 20

AUGUST 16, 1944.

Question: Company A owns a section of outside plant for which it has no further use (e. g., because of rerouting the line or because of substitution of underground construction) and which becomes available for use of Company B. Company B has use for only a portion of the full capacity of the line or in case of jointly owned plant for only a portion of the full capacity of Company A's interest. Company B agrees to purchase the portion of A's interest for which it has use. Any of the remaining portion of the plant not removed by Company A is abandoned and the title thereto goes to Company B without cost. What should be the accounting by Company B?

Answer: Company B shall record the total units so acquired in its continuing property record and account for the proportionate interest actually purchased on the basis of the original cost of that interest and reserve requirements applicable thereto in accordance with section 31.2-21 of the system of accounts.

Case 21

JULY 17, 1946.

Question: When capital stock is sold at a premium, is it permissible to credit account 152, "Premium on capital stock,"³³ with the net premium, that is, the premium realized from purchasers of the stock minus expenses otherwise includible in account 134:2, "Capital stock expense"?³⁴

Answer: Account 152, "Premium on capital stock,"³³ account 134:1, "Discount on capital stock,"³⁵ and the respective capital stock accounts are intended to include the amounts received from purchasers of capital stock, but not expenses of issuing and selling the stock. For each class and series of capital stock there should be recorded separately in the prescribed accounts the par or stated value of the stock, discount or premium, and the expenses incurred in connection with the issuance and sale of the stock. Should a carrier desire to write off or amortize amounts recorded in account 134:2, "Capital stock expense,"³⁴ the charge is required to be made to account 413, "Miscellaneous debits to earned surplus."³⁶

Case 22

JULY 17, 1946.

Question: What is the proper account to be charged with non-promotional advertising of the type sometimes referred to as institutional advertising or as goodwill advertising, the purpose of which is to foster and maintain public goodwill rather than for any immediate and direct promotion of sales of service to subscribers?

Answer: Such advertising should be charged to account 642, "Advertising";³⁷ however, account 323, "Miscellaneous income charges,"³⁸ should be charged with the cost of any advertising for the purpose of influencing public opinion as to the election of public officers, referenda, proposed legislation, proposed ordinances, repeal or existing laws or ordinances, approval or revoca-

³³ For class C companies: Account 2150, "Premium on capital stock."

³⁴ For class C companies: Account 1860, "Capital-stock expense."

³⁵ For class C companies: Account 1850, "Discount on capital stock."

³⁶ For class C companies: Account 2900, "Surplus."

³⁷ For class C companies: Account 4190, "Other operation expenses."

³⁸ For class C companies: Account 7100, "Other miscellaneous deductions from income."

tion of franchises; for the purpose of influencing decisions of public officers; or having any direct or indirect relationship to political matters.

Case 23

JULY 17, 1946.

STATEMENT OF FACTS

In probably all jurisdictions, upon the organization of a corporation, specified fees must be paid. These fees are measured in different ways, the method pertinent to the present inquiry being the amount of authorized stock. In this particular jurisdiction, if several corporations merge or consolidate, then the amount of the fees payable by the resulting corporation is the difference between that calculated on the entire authorized stock of the resulting corporation after the merger and that which was paid previously by the parties to the merger or consolidation. If additional stock is authorized at any subsequent date, a fee must be paid thereon. In the state in question, the minimum authorized capital stock is \$5,000.

An additional characteristic of the fees is that they relate to the total stock authorized and not to respective classes of stock. Thus, no additional fee would be payable if one class of preferred stock is retired and replaced by another class, provided there is no increase in the amount authorized to be issued, or if preferred stock is replaced by common stock with no increase in the authorized amount. In the case of no par stock, the aggregate stated value of the shares authorized is the basis for the fees. Where no par stock has no stated value, the basis for the fees is the capital paid in attributable to such shares.

The charter or bonus fees herein considered are not to be confused with fees paid by a carrier to a public service commission or other authority for registration and permission to issue and sell an authorized amount of capital stock. This latter type of fee is chargeable to account 134:2, "Capital stock expense."³⁹

Question (a): What is the proper account to be charged with charter or bonus fees similar to those described above?

Answer (a): Such charter or bonus fees should be charged to account 201, "Organization."⁴⁰ Attention is directed, however, to the above comments concerning fees paid by a carrier for registration and permission to issue and sell an authorized amount of capital stock, to which this interpretation does not apply.

Question (b): On the merger or consolidation of two or more companies where charter or bonus fees previously paid by the merged companies are permitted to be offset against the fees otherwise payable on the authorized capital stock of the continuing corporation, is it permissible to carry forward to the organization account of the continuing corporation the charter or bonus fees included in the merged corporations' organization accounts?

Answer (b): Under the circumstances described in the question it is permissible for a continuing corporation of a merger or consolidation to record in account 201, "Organization,"⁴⁰ so much of the charter or bonus fees previously paid by the merged corporations as is available for credit against the fees otherwise payable on the authorized capital stock of the continuing corporation or creditable against fees for future increases in the authorized capital stock.

³⁹ For class C companies: Account 1860, "Capital-stock expense."

⁴⁰ For class C companies: Account 1001, "Organization."

APPENDIX B

STANDARD PRACTICES FOR THE ESTABLISHMENT AND MAINTENANCE OF CONTINUING PROPERTY RECORDS BY TELEPHONE COMPANIES HAVING AVERAGE ANNUAL OPERATING REVENUES IN EXCESS OF \$2,000,000 PRESCRIBED BY THE FEDERAL COMMUNICATIONS COMMISSION, EFFECTIVE JULY 1, 1943 (REVISED TO JANUARY 25, 1945)

1. *Plant or accounting areas.* (a) The continuing property record, as related to each primary plant account, shall be classified by subaccounts for each plant or accounting area. Areas already established for administrative, accounting, valuation, or other purposes may be adopted for this purpose when appropriate. In no case shall the boundaries of accounting areas cross State lines. In determining the limit of each area consideration shall be given to the quantities of property, construction conditions, operating districts, county and township lines, taxing district boundaries, city limits, and other political or geographical limits, in order that the property areas adopted may have a maximum adaptability, within the confines of practicability, for both the company's purposes and those of Federal, State, and municipal authorities. Areas once determined shall not be changed without notifying the Commission 30 days in advance of any proposed change in this respect.

(b) Not later than June 30, 1944, there shall be filed with the Commission four copies of a list of accounting areas, to be accompanied by descriptions of the boundaries of each area. Description of all proposed changes in accounting areas shall be submitted in quadruplicate concurrently with notice to the Commission of the change in areas.

2. *Property-record units, "retirement units," and minor items.* (a) In each of the established area subaccounts the basic units of physical property, hereinafter called "property-record units," in terms of which the perpetual inventory is to be maintained, shall be set forth separately, classified by size and type and with the amount of original (or other appropriate book) cost associated immediately with each such unit. When a list of property-record units has been accepted by the Commission, the property-record units set forth therein shall become the basic units referred to in this statement of standard practices.

(b) With respect to land in fee classifiable in account 207, "Right of way," and plant classifiable in account 211, "Land," the units to be set forth as constituents of the property-record units shall consist of parcels of land. Each land parcel shall be identified as to function and location. In the continuing property record or in records supplemental thereto there shall be shown with respect to each land parcel the area, identity of vendor, grantor, or other conveyer or title, identification of deed, or other instruments, and original cost.

(c) The records shall reveal the essential details of construction and the cost of each building, each central office in each building, and each large private branch exchange. The underlying records of construction cost should be so analyzed and the analyses so maintained that, upon any retirement of one or more retirement units comprising part of a property-record unit, a reasonably accurate estimate of the retirement can be made.

(d) The record shall show the number and nature of items included in account 261, "Furniture and office equipment," and account 264, "Vehicles and other work equipment," whether such items are retired on an average retirement unit cost basis or otherwise.

3. *Method of determining original cost of basic property-record units.* Original cost of the basic units shall be determined on the completion reports covering the respective

construction work orders or authorizations, provided that in those cases where the actual original cost of property installed prior to January 1, 1937, by the company maintaining the continuing property records cannot be ascertained, such original cost shall be estimated. Such estimated original cost shall be consistent with the accounting practices in effect at the time of construction of the property. The term "original cost" as used in this statement of standard practices shall mean the actual money cost of (or the current money value of any consideration other than money exchanged for) property at the time when it was first dedicated to the public use, whether by the accounting company or by predecessors. The term "original cost" shall also be used for convenience hereinafter to mean any book cost properly includible in account 100:1, account 100:3, or account 103 under the provisions of Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies) of the Commission's Rules and Regulations.

4. *Average unit costs.* (a) With respect to plant consisting of a large number of similar units, such as poles or wire, units of similar size and type within each specified area sub-account may be grouped according to each year of construction subsequent to 1936 and according to such more extended periods (not to exceed 3 years) prior to 1937 as the Commission may authorize upon a showing sufficient to warrant the adoption of such longer periods, except that the Commission may authorize periods longer than 3 years with respect to particular accounts. Each such average unit cost for each year (or longer authorized period) shall be set forth in the continuing property record.

(b) The averaging of unit costs permitted under the provisions of the foregoing paragraph is restricted to the averaging of costs incurred within a plant or accounting area of the nature defined in foregoing paragraph 1 (a). The provisions of paragraph 4 (a) shall not be interpreted as permitting the inclusion within such average cost of any unusual or special construction expenditures which would distort the normal unit cost otherwise applicable to the specific year (or authorized extended period) of construction. The units of each size and type to which such unusual or special construction costs are applicable shall be segregated and recorded at actual original cost.

(c) When classes of plant are subdivided between exchange and toll, the bases of the average unit costs shall be confined to items priced in the respective subdivisions.

5. *Identification of basic units.* There shall be shown in the continuing property record, or in records supplemental thereto, both with respect to property installed or acquired prior to January 1, 1937, and that installed or acquired subsequent to December 31, 1936, a complete description of the basic units in such detail as to identify plainly such units and to permit of a ready estimate of the cost thereof. Such description shall include the identification of the work order under which constructed, the date when charged to the appropriate asset account (unless not determinable at reasonable expense with respect to past acquisitions or installations), the date of installation if substantially different therefrom, the specific location of the property within each plant or accounting area, the manufacturer's or vendor's name and number or other identification imprinted thereon, the accounting company's number or designation, and any other description used in connection with the determination of the original cost. Descriptions of units of similar size and type shall follow prescribed groupings. Identification by manufacturer's serial number may be omitted when not required for a determination of the age of the unit.

6. *Reinstalled units.* When units with respect to which average unit costs are not ap-

plied under the practices herein prescribed are removed or retired and subsequently reinstalled, the date when the unit was first charged to the appropriate plant account shall be shown in addition to the date of reinstallation.

7. *Age of property.* The continuing property record or records supplemental thereto shall be so maintained (unless the Commission authorizes different treatment with respect to specific periods or accounts) as to permit the determination of the age of existing property and the actual service life of property retired.

8. *References to sources of information.* There shall be shown by appropriate reference the source of all entries. All drawings, computations, and other detailed records which support either the quantities or the costs included in the continuing property record shall be retained as a part of or in support of the continuing property record.

9. *Jointly owned property.* (a) With respect to jointly owned property, there shall be shown in the continuing property record or records supplemental thereto:

- (1) The identity of all joint owners.
- (2) The percentage of ownership of the physical units vested in the accounting company.

NOTE: When plant is constructed under arrangements for joint ownership, the amount received by the constructing company from the other joint owner or owners shall be credited as a reduction of the gross cost of the plant in place. When a sale of a part interest in plant is made, the fractional interest sold shall be treated as a retirement and the amount received shall be treated as salvage. The continuing property record or records supplemental thereto shall be so maintained as to identify retirements of this nature separately from physical retirements of jointly owned plant.

(b) If jointly owned property is substantial in relation to the total of the same kind of property owned wholly by the company, such jointly owned property shall be appropriately segregated in the continuing property record.

10. These standard practices shall become effective July 1, 1943, and shall apply to all telephone companies having average annual operating revenues in excess of \$2,000,000. Telephone companies whose average annual operating revenues are not in excess of \$2,000,000 need not follow these standard practices unless required to do so by a state commission or other regulatory authority.

[F. R. Doc. 48-4815; Filed, May 27, 1948; 9:01 a. m.]

PART 1—ORGANIZATION, PRACTICE, AND PROCEDURE

PART 64—MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

REPORTS REGARDING DOMESTIC TELEGRAPH SPEED OF SERVICE

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 19th day of May 1948;

The Commission having under consideration a proposal to amend § 1.560 of Part 1 and § 64.227 of Part 64 of its rules and regulations by changing form number "340-A" referred to therein to "338-B", and

It appearing, that the proposed amendment consists of editorial changes which are not substantive and which do not in any way affect the requirements of any

of the Commission's rules and regulations; and that therefore the requirements of section 4 of the Administrative Procedure Act are not applicable;

It is ordered, That, effective immediately, § 1.560 of Part 1 and § 64.227 of Part 64 of the Commission's rules and regulations are amended by changing the form number "340-A" referred to therein to read "338-B".

(Secs. 201 (a), 214 (d), 48 Stat. 1070, 1076; 47 U. S. C. 201 (a), 214 (d))

Adopted: May 19, 1948.

Released: May 21, 1948.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4769; Filed, May 27, 1948; 8:51 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

[S. O. 815]

PART 95—CAR SERVICE

FREE TIME REDUCED ON COAL AT GREAT LAKES PORTS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 21st day of May A. D. 1948.

It appearing, that there is a shortage of cars for the transportation of coal and that free time published in tariffs for unloading such cars at Great Lakes ports aggravates the shortage thereof; in the opinion of the Commission an emergency exists requiring immediate action at such ports to alleviate the coal-car shortage:

It is ordered, That no common carrier by railroad, subject to the Interstate Commerce Act, shall:

§ 95.815 *Time reduced at lake ports.*

(a) Exclude Sundays and holidays when computing time in accordance with Item No. 155, Rule 3 on exceptions thereto in Items Nos. 60, 75, 90 and 92 only, of the tariff named herein, on any car or cars loaded with coal held for dumping into vessels at Great Lakes Ports listed in B. T. Jones, Agent, tariff I. C. C. No. 4137, supplements thereto or reissues thereof.

(b) Effective date: This section shall become effective at 7:00 a. m., June 1, 1948, and will apply on cars held at or short of ports on and after the effective date hereof.

(c) Expiration date: This section shall expire at 7:00 a. m., December 31, 1948, unless otherwise modified, changed, suspended or annulled by order of this Commission.

(d) Tariff provisions suspended: The operation of all tariff rules and regulations, insofar as they conflict with the provisions of this section, is hereby suspended.

(e) Announcement of suspension: Each railroad, or its agent, shall publish, file, and post a supplement to each of its tariffs affected thereby, in substantial accordance with the provisions of Rule 9 (k) of the Commission's Tariff Circular No. 20 (§ 141.9 (k) of this chapter), announcing the suspension of the operation of any of the provisions therein, and establishing the substituted provisions set forth herein.

It is further ordered, That a copy of this order and direction shall be served upon the Association of American Railroads, Car Service Division, as Agent of the Railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing

it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 48-4758; Filed, May 27, 1948; 8:47 a. m.]

NOTICES

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 6356, 8807]

HUGH FRANCIS MCKEE AND BENSON
POLYTECHNIC SCHOOL (KBPS)

ORDER CONTINUING HEARING

In re applications of Hugh Francis McKee, Portland, Oregon, Docket No. 6356, File No. BP-3225, for construction permit. Benson Polytechnic School (KBPS), Portland, Oregon, Docket No. 8807, File No. BML-1280, for modification of license.

Whereas, the above-entitled applications are scheduled to be heard in a consolidated proceeding on May 26 and 27, 1948, at Portland, Oregon; and

Whereas, there are no other applications scheduled to be heard in the vicinity of Portland, Oregon, on or about May 26 and 27, 1948; and the said proceeding can be heard on June 29 and 30, 1948, at Portland, Oregon, in conjunction with other hearings in the vicinity; and, because of the limitations of the Commission's funds and personnel, a continuance of the said hearing would serve the public interest, convenience, and necessity;

It is ordered, This 14th day of May 1948, that the said hearing on the above-entitled applications be, and it is hereby, continued to 10:00 a. m. Tuesday, June 29 and Wednesday, June 30, 1948, at Portland, Oregon.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4788; Filed, May 27, 1948; 8:55 a. m.]

[Docket No. 6883]

CRESCENT BROADCAST CORP.

ORDER CONTINUING HEARING

In re application of Crescent Broadcast Corporation, Shenandoah, Pennsylvania, Docket No. 6883, File No. BP-4092, for construction permit.

Whereas, the above-entitled application is scheduled to be heard at Washington, D. C., on May 24, 1948; and

Whereas, the above-entitled applicant has filed a petition for reconsideration and grant without hearing of the above-entitled application, and the public interest, convenience and necessity would be served by a continuance of the

said hearing pending disposition of the said petition;

It is ordered, This 21st day of May 1948, that the said hearing on the above-entitled application be, and it is hereby, continued to 10:00 a. m., Friday, June 25, 1948, at Washington, D. C.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4798; Filed, May 27, 1948; 8:56 a. m.]

[Docket Nos. 7150, 8770-8772, 8951]

RADIO STATION WAIT ET AL.

ORDER CONTINUING HEARING

In re applications of Radio Station WAIT, Chicago, Illinois, Docket No. 7150; File No. BPH-614; Metropolitan Radio Corporation, Chicago, Illinois, Docket No. 8770, File No. BPH-1317; Lake Shore Broadcasting Company, Chicago, Illinois, Docket No. 8771, File No. BPH-1534; Lewis College of Science and Technology, Chicago, Illinois, Docket No. 8772, File No. BPH-1401; North Shore Broadcasting Company, Inc., Evanston, Illinois, Docket No. 8951, File No. BPH-1429; for construction permits.

The Commission having under consideration a petition filed May 7, 1948, by North Shore Broadcasting Company, Inc., Evanston, Illinois, requesting a 30-day continuance of the consolidated hearing now scheduled for June 2, 1948, at Chicago, Illinois, on the above-entitled applications;

It is ordered, This 14th day of May 1948, that the petition be, and it is hereby, granted; and that the said hearing on the above-entitled applications be, and it is hereby, continued to 10:00 a. m., Tuesday, July 6, 1948, at Chicago, Illinois.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4787; Filed, May 27, 1948; 8:55 a. m.]

[Docket No. 8056]

MISSOURI BROADCASTING CORP. (WIL)

ORDER CONTINUING HEARING

In re application of Missouri Broadcasting Corporation (WIL), St. Louis,

Missouri, Docket No. 8056, File No. BP-5606, for construction permit.

Whereas, the above-entitled application of Missouri Broadcasting Corporation (WIL) is scheduled to be heard on May 26, 1948; and

Whereas, there is now pending before the Commission a petition filed April 22, 1948, by Missouri Broadcasting Corporation (WIL) for reconsideration and grant of its above-entitled application; and

Whereas, it appears that the said petition for reconsideration and grant will not be acted upon prior to May 26 1948;

It is ordered, This 21st day of May 1948, that the said hearing be, and it is hereby, continued to 10:00 a. m., Friday, July 2, 1948, at Washington, D. C.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4797; Filed, May 27, 1948; 8:56 a. m.]

[Docket No. 8161]

FREQUENCY BROADCASTING SYSTEM, INC.

ORDER CONTINUING HEARING

In re application of Frequency Broadcasting System, Inc., Shreveport, Louisiana, Docket No. 8161, File No. BP-5277, for construction permit.

The Commission having under consideration a petition filed May 18, 1948, by Frequency Broadcasting System, Inc., Shreveport, Louisiana, requesting a continuance of the hearing on its above-entitled application for construction permit;

It is ordered, This 21st day of May 1948, that the petition be, and it is hereby, granted; and that the said hearing be, and it is hereby, continued to 10:00 a. m., Friday, June 25, 1948, at Washington, D. C.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4796; Filed, May 27, 1948; 8:56 a. m.]

[Docket No. 8176]

TERRELL BROADCAST CORP.

ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In re application of Terrell Broadcast Corporation, Terrell, Texas, Docket No.

8176, File No. BP-5778, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of May 1948;

The Commission having under consideration the above-entitled application for construction permit for a new standard broadcast station to operate on 1570 kc, 250 w power, daytime only, at Terrell, Texas;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station KHRB, Hillsboro, Texas or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

It is further ordered, That Hill County Broadcasting Company, licensee of station KHRB, Hillsboro, Texas, be, and it is hereby, made a party to the proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4774; Filed, May 27, 1948;
8:52 a. m.]

[Docket No. 8249]

MASSILLON BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of The Massillon Broadcasting Company, Massillon, Ohio, Docket No. 8249, File No. BP-5895, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of May 1948;

The Commission having under consideration the above-entitled application of The Massillon Broadcasting Company for authorization to construct a new standard broadcast station at Massillon, Ohio, to operate on 1310 kc, with 1 kw power, daytime only, with directional antenna;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be determined by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station, and particularly with regard to whether each of the stockholders, officers and directors is financially qualified in his own right, whether the applicant corporation or any of its stockholders, officers, or directors are controlled directly or indirectly by any other person, and whether there has been a full disclosure as to any suits or bankruptcy proceedings in which the stockholders, officers, and directors, or any of them, are or were, at any time, involved.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending applications of Scripps-Howard Radio, Inc. (File No. BP-4118, Docket No. 6916) and Cleveland Broadcasting, Inc. (File No. BP-4058, Docket No. 6917) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4773; Filed, May 27, 1948;
8:52 a. m.]

[Docket No. 8256]

SAYRE PRINTING CO.

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Sayre Printing Company, Sayre, Pennsylvania, Docket No. 8256, File No. BP-5872, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of May 1948;

The Commission having under consideration the above-entitled application for construction permit for a new standard broadcast station to operate on 1340 kc, 100 watts power, unlimited time, at Sayre, Pennsylvania;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station WBRE, Wilkes-Barre, Pennsylvania or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations, with particular reference to the populations residing within the blanket areas and the areas and populations which will receive satisfactory nighttime service.

It is further ordered, That, Louis G. Baltimore, licensee of Station WBRE, Wilkes-Barre, Pennsylvania, be, and he is, hereby made a party to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4772; Filed, May 27, 1948;
8:52 a. m.]

[Docket No. 8276, 8277]

COCONINO BROADCASTING CO. AND GRAND CANYON BROADCASTING CO. (KWRZ)

ORDER CONTINUING HEARING

In re applications of Coconino Broadcasting Company, Flagstaff, Arizona, Docket No. 8276, File No. BP-5667; James L. Stapleton, Jessie Martin and Duard K. Nowlin, d/b as Grand Canyon Broadcasting Company (KWRZ), Flagstaff, Arizona, Docket No. 8277, File No. BP-6004; for construction permit.

Whereas, the above-entitled applications are scheduled to be heard on May 18, 1948, at Washington, D. C.; and

Whereas, Grand Canyon Broadcasting Company (KWRZ) has filed a petition to dismiss its application without prejudice but failed to submit therewith an affidavit of consideration as required by § 1.366 of the Commission's rules; and

Whereas, Coconino Broadcasting Company has advised the Commission that it proposes to amend its application to eliminate interference with Air-Fan Radio Corporation (KFSD), a party intervenor in the subject proceeding; and

Whereas, it appears that the necessity for holding a hearing on the above-entitled applications may be obviated;

It is ordered, This 14th day of May 1948, that the hearing on the above-entitled applications be, and it is hereby, continued on the Commission's own motion to 10:00 a. m., Wednesday, July 21, 1948, at Washington, D. C.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.[F. R. Doc. 48-4790; Filed, May 27, 1948;
8:55 a. m.]

[Docket No. 8380]

OZARKS BROADCASTING CO. (KWTO)

ORDER CONTINUING HEARING

In re application of Ozarks Broadcasting Company (KWTO), Springfield, Missouri, Docket No. 8380, File No. BP-5259; for construction permit.

The Commission having under consideration a petition filed May 19, 1948, by Ozarks Broadcasting Company (KWTO), Springfield, Missouri, requesting that the Commission continue for 30 days the hearing now scheduled for May 27, 1948, at Washington, D. C., on its above-entitled application for construction permit;

It is ordered, This 21st day of May 1948, that the petition be, and it is hereby, granted; and that the hearing on the above-entitled application be, and it is hereby, continued to 10:00 a. m., Monday, June 28, 1948, at Washington, D. C.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.[F. R. Doc. 48-4799; Filed, May 27, 1948;
8:56 a. m.]

[Docket No. 8384]

BIRNEY IMES, Jr. (WELO)

ORDER CONTINUING HEARING

In re application of Birney Imes, Jr. (WELO), Tupelo, Mississippi, Docket No. 8384, File No. BP-4719; for construction permit.

The Commission having under consideration a petition filed May 17, 1948, by Birney Imes, Jr. (WELO), Tupelo, Mississippi, requesting a 60-day continuance from May 18, 1948, of the hearing on his application for construction permit (File No. BP-4719; Docket No. 8384);

It appearing, that counsel for all other parties to the proceeding have consented to a grant of the petition;

It is ordered, This 17th day of May 1948, that the petition be, and it is hereby, granted; and that the said hearing be, and it is hereby, continued to 10:00 a. m., Monday, July 26, 1948, at Washington, D. C.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.[F. R. Doc. 48-4794; Filed, May 27, 1948;
8:56 a. m.]

[Docket No. 8426]

NAUGATUCK VALLEY BROADCASTING CORP.

ORDER CONTINUING HEARING

In re application of the Naugatuck Valley Broadcasting Corporation, Ansonia, Connecticut, File No. BP-5926; Docket No. 8426, for construction permit.

Whereas, the above-entitled application of The Naugatuck Valley Broadcasting Corporation, Ansonia, Connecticut, is scheduled to be heard on May 19, 1948, at Washington, D. C.; and

Whereas, there is pending a petition for reconsideration and grant without hearing filed December 19, 1947, by the said applicant;

It is ordered, This 14th day of May 1948, on the Commission's own motion, that the said hearing on the above-entitled application be, and it is hereby, continued to 10:00 a. m., Wednesday, June 9, 1948, at Washington, D. C.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.[F. R. Doc. 48-4791; Filed, May 27, 1948;
8:55 a. m.]

[Docket No. 8433]

NORTHEAST GEORGIA BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In re application of Northeast Georgia Broadcasting Company, Gainesville, Georgia, Docket No. 8433, File No. BP-5659, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of May 1948;

The Commission having under consideration a petition filed November 18, 1947 by Elberton Broadcasting Company, licensee of Station WSGC, operating on 1400 kc in Elberton, Georgia, requesting that the Commission reconsider and set aside its action of October 30, 1947, in granting without hearing the above-entitled application of Northeast Georgia Broadcasting Company for a permit to construct a new standard broadcast station to operate on 1400 kc in Gainesville, Georgia, and the Commission also having under consideration an opposition to said petition filed by Northeast Georgia Broadcasting Company;

It appearing, that the said petition raises questions of fact upon which the petitioner should be afforded an opportunity to be heard;

It is ordered, That, pursuant to section 405 of the Communications Act of 1934, as amended, the said petition of Elberton Broadcasting Company (WSGC) be, and it is hereby, designated for hearing at 10:00 a. m. on June 17, 1948, at Washington, D. C., upon the following issues:

1. To determine whether the measurements submitted by Northeast Georgia Broadcasting Company in connection with its above-entitled application were made in compliance with the requirements of the Commission's Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

2. To determine whether the operation of the proposed station at Gainesville, Georgia, would involve objectionable interference with Station WSGC, Elberton, Georgia.

It is further ordered, That Elberton Broadcasting Company, licensee of Station WSGC, and Northeast Georgia Broadcasting Company, Gainesville, Georgia, be, and they are hereby, made parties to this proceeding.

FEDERAL COMMUNICATIONS COMMISSION.

[SEAL] T. J. SLOWIE,
Secretary.[F. R. Doc. 48-4770; Filed, May 27, 1948;
8:51 a. m.]

[Docket No. 8474]

BERT WILLIAMSON

ORDER CONTINUING HEARING

In re application of Bert Williamson, Martinez, California, Docket No. 8474, File No. BP-6114, for construction permit.

Whereas, the above-entitled application is scheduled to be heard at Washington, D. C., on May 21, 1948; and

Whereas, there is now pending before the Commission a petition for reconsideration and grant filed April 12, 1948, by the above-entitled applicant and the said petition will not be acted upon by the Commission before the date now scheduled for hearing; and

Whereas, there is now pending before the Commission an application filed April 8, 1948, by John Bohn, Martinez, California (File No. BP-6696), requesting a construction permit to erect a new

NOTICES

standard broadcast station to operate on the frequency 1330 kc, with 500 watts power, daytime only; and

Whereas, the Commission has not yet determined whether the said application of John Bohn involves mutually prohibitive electrical interference with the above-entitled application of Bert Williamson and has not, therefore, determined whether the said application of John Bohn should be consolidated with the above-entitled application of Bert Williamson pursuant to § 1.387 (b) (3) of the Commission's rules and regulations;

It is ordered, This 14th day of May 1948, on the Commission's own motion that the hearing on the above-entitled application of Bert Williamson be, and it is hereby, continued to 10:00 a. m., Friday, June 4, 1948, at Washington, D. C.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4792; Filed, May 27, 1948;
8:55 a. m.]

[Docket No. 8523]

FOULKROD RADIO ENGINEERING CO. (WTEL)

ORDER CONTINUING HEARING

In re application of Foulkrod Radio Engineering Company (WTEL), Philadelphia, Pennsylvania, Docket No. 8523, File No. BR-355, for renewal of license.

The Commission having under consideration a petition filed May 10, 1948, by Foulkrod Radio Engineering Company, Philadelphia, Pennsylvania, requesting a continuance from May 20, 1948, to July 12, 1948, of the hearing now scheduled on its above-entitled application for renewal of license;

It is ordered, This 14th day of May 1948, that the petition be, and it is hereby, granted; and that the said hearing be, and it is hereby, continued to 10:00 a. m., Monday, July 12, 1948, at Philadelphia, Pennsylvania.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4789; Filed, May 27, 1948;
8:55 a. m.]

[Docket Nos. 8621, 8622, 8760]

TRAVELERS BROADCASTING SERVICE CORP.
ET AL.

ORDER CONTINUING HEARING

In re applications of Travelers Broadcasting Service Corporation, Hartford, Connecticut, Docket No. 8621, File No. BPCT-193; The Connecticut Broadcasting Company, Hartford, Connecticut, Docket No. 8622, File No. BPCT-195; The Hartford Times, Incorporated, Hartford, Connecticut, Docket No. 8760, File No. BPCT-273; for construction permits.

Whereas, the above-entitled applications are scheduled to be heard in a consolidated proceeding on May 24, 1948, at Hartford, Connecticut; and

Whereas, the public interest, convenience and necessity would be served by continuing the said hearing to June 1, 1948; and

Whereas, counsel for the above-entitled applicants have consented to the said continuance;

It is ordered, This 19th day of May 1948, that the hearing on the above-entitled applications be, and it is hereby, continued, on the Commission's own motion, to 10:00 a. m., Tuesday, June 1, 1948, at Hartford, Connecticut.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4795; Filed, May 27, 1948;
8:56 a. m.]

[Docket Nos. 8734, 8735]

HAWLEY BROADCASTING CO. AND EASTERN
RADIO CORP.

ORDER CONTINUING HEARING

In re applications of Hawley Broadcasting Company, Reading, Pennsylvania, Docket No. 8734, File No. BPCT-239; Eastern Radio Corporation, Reading, Pennsylvania, Docket No. 8735, File No. BPCT-268; for construction permits.

The Commission having under consideration a petition filed May 5, 1948, by Hawley Broadcasting Company, Reading, Pennsylvania, requesting a continuance from May 24, 1948, to May 26, 1948, of the hearing now scheduled on its above-entitled application for construction permit and the above-entitled application of Eastern Radio Corporation, Reading, Pennsylvania;

It is ordered, This 14th day of May 1948, that the petition be, and it is hereby, granted; and that the said hearing be, and it is hereby, continued to 10:00 a. m., Wednesday, May 26, 1948, at Reading, Pennsylvania.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4793; Filed, May 27, 1948;
8:56 a. m.]

[Docket No. 8994]

L. W. ANDREWS, INC.

ORDER DESIGNATING APPLICATION FOR
CONSOLIDATED HEARING

In re application of L. W. Andrews, Inc., Davenport, Iowa, File No. BPH-1343, Docket No. 8994; for FM construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 12th day of May 1948;

The Commission having under consideration the above-entitled application of L. W. Andrews, Inc., for a new Class A FM station at Davenport, Iowa;

It is ordered, That pursuant to section 309 (a) of the Communications Act of 1934, as amended, that said application be, and it is hereby, designated for

hearing in a consolidated proceeding with the applications of L. W. Andrews, Inc., and the Gates City Company for construction permits for new standard broadcast stations to operate on 1580 kc, 250 w, daytime only, and 1580 kc, 1 kw, daytime only, respectively, at Davenport, Iowa and Keokuk, Iowa, respectively (Docket Nos. 8599 and 8196, respectively) at a time and place to be designated by subsequent order of the Commission upon the following issue:

To determine whether the L. W. Andrews, Inc., is financially qualified to construct and operate both of its proposed AM and FM stations in Davenport, Iowa.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4771; Filed, May 27, 1948;
8:51 a. m.]

AM STATION KORE AND FM STATION
KORE

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE AND PERMIT¹

The Commission hereby gives notice that on May 10, 1948, there was filed with it an application (BAL-732 and BAPH-82) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of AM station KORE, Eugene, Oregon, from Violet G. Hill Motter and Villet G. Hill Motter, Administratrix of the Estate of Frank L. Hill, Deceased, doing business as Eugene Broadcast Station, to Lane Broadcasting Company, Coos Bay, Oregon. The proposal to assign the license and the permit arises out of a contract of April 16, 1948, pursuant to which the properties and facilities of the above stations would be sold to the assignee for a consideration of \$110,000. Of this amount \$12,500 has been paid in earnest upon execution of the agreement; \$30,000 is to be paid in cash upon the closing date to be fixed within 10 days after Commission approval which latter figure is to include the earnest money. The balance of \$80,000 is to be paid at the rate of \$1,000 a month after the closing date with 4% interest. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on May 10, 1948, that starting on May 17, 1948, notice of the filing of the application would be inserted in the Eugene Register-Guard, a newspaper of general circulation at Eugene, Oregon in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from May 17, 1948, within which

¹ Section 1.321, Part 1, Rules of Practice and Procedure.

time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

(Sec. 310 (b), 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4775; Filed, May 27, 1948;
8:52 a. m.]

KNGS

NOTICE CONCERNING PROPOSED ASSIGNMENT
OF CONSTRUCTION PERMIT¹

The Commission hereby gives notice that on February 2, 1948, there was filed with it an application (BAP-74, Amended May 4, 1948) for its consent under section 310 (b) of the Communications Act to the proposed assignment of construction permit for AM station KNGS, Hanford, California, from Stanley S. Beaubaire and W. Keith Topping, d/b as Hanford Publishing Company to Stanley S. Beaubaire and Samuel M. Beaubaire d/b as Hanford Publishing Company. The proposal to assign the construction permit for Station KNGS arises out of a contract dated October 22, 1947, amended April 28, 1948, pursuant to which the partnership composed of Stanley S. Beaubaire and W. Keith Topping will be dissolved and the 50% interest which the said W. Keith Topping held in the construction permit for Station KNGS will be assigned in equal portions to Stanley S. Beaubaire and Samuel M. Beaubaire a partnership which will also do business as Hanford Publishing Company with the result that Stanley S. Beaubaire will own a 75% interest and Samuel M. Beaubaire a 25% interest in Station KNGS. The purchase price for the 50% interest in Station KNGS, which has been constructed and is now on the air on program tests, is \$37,110 plus one-half of any additional expenditures for equipment purchased subsequent to the date of the agreement and the date the assignment becomes effective, plus 50% of any unpaid portions of payments due under a contract of lease pursuant to which Stanley S. Beaubaire and Samuel M. Beaubaire lease to Station KNGS land and equipment used in the operation of the station for monthly payments of \$1,750. Upon approval of this assignment the lease payments will terminate except for the payment for the rental of the land which is leased at a yearly payment of \$100. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on May 10, 1948, that starting

on May 11, 1948, notice of the filing of the application would be inserted in Hanford Morning Journal a newspaper of general circulation at Hanford, California, in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from May 11, 1948, within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

(Sec. 310 (b), 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-4800; Filed, May 27, 1948;
8:56 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6144]

NORTHWESTERN PUBLIC SERVICE CO.

NOTICE OF APPLICATION

MAY 24, 1948.

Notice is hereby given that on May 24, 1948, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Northwestern Public Service Company, a corporation organized under the laws of the State of Delaware and doing business in the States of Nebraska and South Dakota with its principal business office at Huron, South Dakota, seeking an order authorizing the issuance of 6,000 shares, 5¼% Cumulative Preferred Stock, of the par value of \$100 per share, and \$600,000 aggregate principal amount of First Mortgage Bonds, 3¾% Series due 1978, to be dated June 1, 1948, and to mature June 1, 1978; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard, or to make any protest with reference to said application should, on or before the 12th day of June 1948, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 48-4757; Filed, May 27, 1948;
8:47 a. m.]

INTERSTATE COMMERCE
COMMISSION

[S. O. 790, Amdt. 11 to Special Directive 25]

BALTIMORE AND OHIO RAILROAD CO.

DIRECTIVE TO FURNISH CARS FOR RAILROAD
COAL SUPPLY

Upon further consideration of the provisions of Special Directive No. 25 (12 F. R. 8389; 13 F. R. 301, 407, 1272, 1292, 2420), under Service Order No. 790 (12 F. R. 7791), and good cause appearing therefor;

It is ordered, That Special Directive No. 25, be, and it is hereby amended by substituting paragraph (1) hereof for paragraph (1) thereof:

(1) To furnish to the mines listed below cars for the loading of The Central Railroad Company of New Jersey fuel coal in the number specified from its total available supply of cars suitable for the transportation of coal:

Mine:	Cars for May 1948
Katherine & Pepper	95
Linda	20
Cliff	30
Elk Hill	25
Roberta	40
Henshaw	15
Riley	30
McCandlish	20
Adrian	50
Linda (Sitnek)	12
Ronay (Ferguson)	6
Burns	20
Alpha	16
Cain	16
Berryburg	50

A copy of this amendment shall be served upon The Baltimore and Ohio Railroad Company and notice of this amendment shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 22d day of May A. D. 1948.

INTERSTATE COMMERCE
COMMISSION,
HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 48-4759; Filed, May 27, 1948;
8:47 a. m.]

[S. O. 790, Special Directive 59-A]

MONONGAHELA RAILWAY CO.

DIRECTIVE TO VACATE ORDER TO FURNISH CARS
FOR RAILROAD COAL SUPPLY

Upon further consideration of the provisions of Service Order No. 790 (12 F. R. 7791) and good cause appearing therefor:

It is ordered, That Special Directive No. 59 under Service Order No. 790, be, and it is hereby vacated effective 12:01 a. m., May 22, 1948.

A copy of this special directive shall be served upon The Monongahela Railway Company and notice of this directive shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 21st day of May A. D. 1948.

INTERSTATE COMMERCE
COMMISSION,
HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 48-4760; Filed, May 27, 1948;
8:47 a. m.]

¹ Section 1.321, Part 1, Rules of Practice and Procedure.

[S. O. 790, Special Directive 63-A]

BALTIMORE AND OHIO RAILROAD CO.

DIRECTIVE TO VACATE ORDER TO FURNISH CARS
FOR RAILROAD COAL SUPPLY

Upon further consideration of the provisions of Service Order No. 790 (12 F. R. 7791) and good cause appearing therefor:

It is ordered, That Special Directive No. 63 under Service Order No. 790, be, and it is hereby vacated effective 12:01 a. m., May 22, 1948.

A copy of this special directive shall be served upon The Baltimore and Ohio Railroad Company and notice of this directive shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 21st day of May A. D. 1948.

INTERSTATE COMMERCE
COMMISSION,
HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 48-4761; Filed, May 27, 1948;
8:47 a. m.]

[S. O. 790, Amdt. 1 to Special Directive 67]

BALTIMORE AND OHIO RAILROAD CO.

DIRECTIVE TO FURNISH CARS FOR RAILROAD
COAL SUPPLY

Upon further consideration of the provisions of Special Directive No. 67 (12 F. R. 2729), under Service Order No. 790 (12 F. R. 7791), and good cause appearing therefor:

It is ordered, That Special Directive No. 67, be, and it is hereby amended by adding the following:

Mine: _____ *Cars required for*
Adrian _____ *May 1948* 5

A copy of this amendment shall be served upon The Baltimore and Ohio Railroad Company and notice of this amendment shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 21st day of May A. D. 1948.

INTERSTATE COMMERCE
COMMISSION,
HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 48-4762; Filed, May 27, 1948;
8:47 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File Nos. 31-524, 54-106, 54-107, 59-52]

BUFFALO, NIAGARA AND EASTERN POWER
CORP. ET AL.

ORDER GRANTING EXTENSION OF TIME

At a regular session of the Securities and Exchange Commission, held at its

office in the city of Washington, D. C., on the 20th day of May 1948.

In the matters of Buffalo, Niagara and Eastern Power Corporation, File Nos. 54-106, 31-524; Niagara Hudson Power Corporation, File Nos. 54-107, 31-523; Niagara Hudson Power Corporation and its Subsidiary Companies, Respondents, File No. 59-52.

The Commission by order dated October 4, 1945, having approved a plan of reorganization and consolidation of Buffalo, Niagara and Eastern Power Corporation and certain of its subsidiaries, which plan provided, among other things, for the disposition by Niagara Hudson Power Corporation ("Niagara Hudson"), within one year from November 1, 1945, of all of its interest, direct or indirect, in Buffalo Niagara Electric Corporation, unless such time is extended or the disposition requirements of the order modified or altered; and

Niagara Hudson having filed an application requesting a six-months extension to November 1, 1948, of the time within which Niagara Hudson must dispose of all of its interest, direct or indirect, in Buffalo Niagara Electric Corporation and the subsidiaries thereof as provided by the said plan (the time for compliance with such order having been subsequently extended to May 1, 1948, by Commission orders dated October 28, 1946, April 22, 1947, and October 24, 1947); and

Notice of filing of said request having been duly given and the Commission not having received a request for a hearing with respect thereto within the period specified in said notice of filing, or otherwise, and the Commission not having ordered a hearing thereon; and

It appearing to the Commission, upon the basis of the reasons advanced and representations made by Niagara Hudson, that it is appropriate in the public interest and in the interest of investors and consumers to grant said request:

It is ordered, That Niagara Hudson Power Corporation's request for a six-months extension to November 1, 1948, of the time within which it must dispose of all of its interest, direct or indirect, in Buffalo Niagara Electric Corporation and the subsidiaries thereof be, and the same hereby is, granted.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 48-4765; Filed, May 27, 1948;
8:49 a. m.]

DEPARTMENT OF JUSTICE Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 11232]

DANIEL DREYFOOS

In re: Trust under the will of Daniel Dreyfoos, deceased. File D 66-329. E. T. 2605.

Under the authority of the Trading With the Enemy Act, as amended, Execu-

tive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Alice Seeman, Albert Schloss and Ella Heinbach, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1, and each of them, in and to the trust created under the will of Daniel Dreyfoos, deceased, is property payable or deliverable to, or claimed by the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by the First National Bank of Cincinnati, Fourth and Walnut Streets, Cincinnati 1, Ohio, and Leonard H. Freiberg, 1603 First National Bank Bldg., Cincinnati 2, Ohio, Co-trustees, acting under the judicial supervision of the Probate Court, Hamilton County, State of Ohio,

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4776; Filed, May 27, 1948;
8:52 a. m.]

[Vesting Order 11235]

HENRY FEIERABEND

In re: Rights of Henry Feierabend under insurance contract. File No. F-23-28740-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Henry Feierabend, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 4,890,169C, issued by the Metropolitan Life Insurance Company, 1 Madison Avenue, New York

10, New York, to Henry Feierabend, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4777; Filed, May 27, 1948;
8:52 a. m.]

[Vesting Order 11237]

KIEKO KANZAKI

In re: Rights of Kieko Kanzaki under insurance contract. File No. D-39-19085-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kieko Kanzaki, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by Policy No. 1,227,648 issued by Sun Life Assurance Company of Canada, Dominion Square, Montreal, Quebec, Canada to Riechiro Kanzaki, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not

within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4778; Filed, May 27, 1948;
8:53 a. m.]

[Vesting Order 11247]

JOHANN HOFFMAN ET AL.

In re: Stock owned by Johann Hoffman and others. F-28-28918-D-1, F-28-28919-D-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Johann Hoffman, whose last known address is Ebersdorf, Post Neustadt, b/Coburg, Germany, and that Renate Holland and Alfred Holland, whose last known address is Streufdorf, b/Heldburghausen, Thuringen, Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: Two hundred (200) shares of \$5 par value capital stock of Argonaut Mining Company, Ltd., In Liquidation, 785 Market Street, San Francisco, California, a corporation organized under the laws of the State of California, evidenced by a certificate numbered 925, registered in the name of Johann Hoffman, together with all declared and unpaid dividends thereon, and all rights to proceeds of the liquidation of the aforesaid corporation, allocable to said shares of stock,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Johann Hoffman, the aforesaid national of a designated enemy country (Germany);

3. That the property described as follows: One hundred twenty (120) shares of \$5 par value capital stock of Argonaut Mining Company, Ltd., In Liquidation, 785 Market Street, San Francisco, California, a corporation organized under the laws of the State of California, evidenced by a certificate numbered 1548,

registered in the name of Mrs. Renate Holland, individually and as guardian for Alfred Holland, together with all declared and unpaid dividends thereon, and all rights to proceeds of the liquidation of the aforesaid corporation, allocable to said shares of stock,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Renate Holland and Alfred Holland, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4779; Filed, May 27, 1948;
8:53 a. m.]

CARL EMIL BARTENS

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Carl Emil Bartens, Copenhagen, Denmark, 9372; property described in Vesting Order No. 664 (8 F. R. 4989, April 17, 1943), relating to United States Letters Patent No. 2,188,451.

Executed at Washington, D. C., on May 24, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4786; Filed, May 27, 1948;
8:55 a. m.]

NOTICES

[Return Order 107, Amdt.]

JOHAN BOJER

Return Order No. 107, dated April 19, 1948, published in the FEDERAL REGISTER on April 22, 1948 (13 F. R. 2187), is hereby amended as follows and not otherwise:

By adding thereto, under "Property":

Property to the extent owned by claimant immediately prior to the vesting thereof, described in Vesting Order No. 4034 (9 F. R. 13781, November 17, 1944) relating to the literary works "Life", and "Great Hunger" (listed in Exhibit A of said vesting order).

Executed at Washington, D. C., on May 24, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4784; Filed, May 27, 1948;
8:55 a. m.]

[Return Order 124]

TAICHI SATO ET AL.

Having considered the claims set forth below and having issued a determination allowing the claims which are incorporated by reference herein and filed herewith and notice of intention to return having been published on April 22, 1948 (13 F. R. 2189).

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, after adequate provision for taxes and conservatory expenses:

Claimant	Claim No.	Property
Taichi Sato, guardian of Masako Sato, 223 North King St., Honolulu, T. H.	9088	\$295.51
Miss Tamiyo Sato, a/c in name of Tamiyo Okamoto, 223 North King St., Honolulu, T. H.	9089	225.78
Fumiko Seichi, 1026 8th Ave., Honolulu, T. H.	9090	14.35
Sachiko Seichi, 1026 8th Ave., Honolulu, T. H.	9091	29.59
Kenichi Seichi, guardian of Shigemichi Seichi, 1026 8th Ave., Honolulu, T. H.	9092	22.44
Kenichi Seichi, guardian of Yoshiko Seichi, 1026 8th Ave., Honolulu, T. H.	9093	7.09
Junro Sewake, 3034 Ono St., Honolulu, T. H.	9094	109.92
Uto Shirota, 1642 Liliha St., Honolulu, T. H.	9099	11.79
George Suganuma, 1355 10th Ave., Honolulu, T. H.	9100	113.01
S. Suganuma, guardian of Sadako Suganuma, 1355-10th Ave., Honolulu, T. H.	9102	45.26
K. Sunouchi, 697 S. King St., Honolulu, T. H.	9105	4,966.58
Taro Tabata, P. O. Box 1038, Honolulu, T. H.	9107	9.41
Tokimi Takahashi, trustee for Shizuko Kawamura, formerly Shizuko Takahashi, 2539 A Coyne St., Ext., Honolulu 33, T. H.	9108	150.22
Makita Takebayashi, Kokokahi, Oahu, T. H.	9110	874.76
Mrs. Hanayo Taniguchi or Masaru Taniguchi, 62 Funchal St., Honolulu, T. H.	9114	465.91
Mineyasu Tanaka, trustee for Toshiko Tanaka, 942-A Wilhili St., Honolulu, T. H.	9116	85.00
Sato Tanaka, 651-A 22d Ave., Honolulu, T. H.	9118	352.82
Hiroshi Teniya, 1570 Kapiolani Blvd., Honolulu, T. H.	9121	1,000.00

* Filed as part of the original document.

Claimant	Claim No.	Property	Claimant	Claim No.	Property
Junichi Tokairin, trustee for Florence Kazuko Tokairin, P. O. Box 237, Wahiawa, Oahu, T. H.	9122	\$119.84	Haruko Miyasato, 2304 S. King St., Honolulu, T. H.	9330	\$698.43
Junichi Tokairin or Noi Tokairin, P. O. Box 237, Wahiawa, Oahu, T. H.	9123	441.01	Enjiro Nishiyu, 67-A N. School St., Honolulu, T. H.	9333	171.29
Matasaburo Tokunaga, guardian of Masuo Tokunaga 2880-C Loi St., Honolulu, T. H.	9124	126.68	Koo Oka, 848 McCully St., Honolulu, T. H.	9334	141.33
Chika Tsubota or James H. Tsubota, 948 Pumehana St., Honolulu, T. H.	9127	805.82	Mitsue Sasaki, 2572 Lemon Rd., Honolulu, T. H.	9340	159.07
Tsune Tsugawa or Gladys C. Tsugawa, 1430 A Wilder Ave., Honolulu, T. H.	9129	383.39	Mrs. Shizu Seida, 4562-B Kalamianale Highway, Honolulu 49, T. H.	9344	1,091.25
Keiji Tsujimura or Kishi Tsujimura, P. O. Box 17, Wahiawa, Oahu, T. H.	9130	2,132.90	Ayako Shimizu, 1738 Nalo St., Honolulu 29, Hawaii.	9345	744.20
Mr. Hachiroji Tsutomi or Chika Tsutomi, Brodie No. 4 Camp, c/o Hawaiian Pineapple Co. Ltd., Wahiawa, Oahu, T. H.	9133	126.25	Mr. Masatsugu Takakior Tane Takaki, 1231 Circle Lane, Honolulu 53, T. H.	9346	1,151.30
Mr. Seishin Uehara, 3227 Paluli St., Honolulu, T. H.	9134	292.13	Mr. Shunichi Takamoto, 1127 20th Ave., Honolulu, T. H.	9347	105.47
Masakazu Uyesugi, 2835 Easy St., Honolulu 8, T. H.	9135	76.49	Mrs. Kameyo Tanaka or Mr. Yasuke Tanaka, 3611 McCorriston St., Honolulu 40, T. H.	9349	365.99
Arata Uyeda and Masayue Uyeda, 2014 Pahukui St., Honolulu 45, T. H.	9136	16.07	Kamesa Tanashiro or Minoru Tanashiro, Post Office Box 172, Waiapahu, Oahu, T. H.	9350	1,163.47
Wasaku Watase, 1323 15th Ave., Honolulu 55, T. H.	9138	103.88	Kensaku Tsumoda, 1727 Fort St., Honolulu, T. H.	9352	233.89
Tsunehachi Yamada, Post Office Box 284, Waiapahu, Oahu, T. H.	9139	122.41	Miju Tsuzuki, 1712 Kalanokalani Way, Honolulu, T. H.	9353	51.29
Kikuyo Yamaguchi, 959 Laki Rd., Honolulu, T. H.	9141	235.30	Yoshihei Yanagida, 2481 Dole St., Honolulu, T. H.	9354	56.42
Mrs. Chika Yamamoto and Mrs. Thelma Iwamoto, 806 Factory St., Honolulu, T. H.	9142	917.83	Masuko Yamaki or Eisuke Yamaki, 1654 Kaena Lane, Honolulu, T. H.	9355	25.61
Masako Yamasaki, 631 Wyllie St., Honolulu, T. H.	9145	792.62	Shigeo Yashiro, 1108 Peterson Lane, Honolulu 7, T. H.	9358	1,039.46
Ushi Yamashiro, 266 A. Kamakela Lane, Honolulu, T. H.	9147	53.29	Misa Abe, 925 Ahana Lane, Honolulu, T. H.	11052	88.96
Sueki Yonemitsu and Yoshi Yonemitsu, Naalehu, Hawaii, T. H.	9150	513.91	A. Y. Ambo, 1516 Farrington St., Honolulu, T. H.	11053	33.30
Genzo Yoshizu or Kiyu Yoshizu, Post Office Box 403, Waiapahu, Oahu, T. H.	9152	1,620.85	Mr. Kiso Asato, a/k/a Kichio Asato, Camp 15, Waiapahu, Oahu, T. H.	11054	500.75
Seitaro Abe, 925 Ahana Lane, Honolulu, T. H.	9279	12.12	Mr. Sadao Umeda, d/b/a City Florist, 673 South Beretania St., Honolulu, T. H.	11055	103.15
Naoki Arai or Tada Arai, 628 Winant St., Honolulu, T. H.	9282	102.02	Yoshino Daitoku, 907 Coolidge St., Honolulu, T. H.	11057	49.35
Koji Asakura or Saji Asakura, Post Office Box 33, Wahiawa, Oahu, T. H.	9284	9.47	Tomoichi Hayashi or Kikuyo Hayashi, 460 Cooke St., Honolulu, T. H.	11058	291.21
Yuriko Chijimatsu, 1114 20th Ave., Honolulu, T. H.	9285	1,005.25	Tomoichi Hayashi, guardian of Isami Hayashi, 460 Cooke St., Honolulu, T. H.	11059	34.95
Tomokichi Enomoto, Ewa, Oahu, T. H.	9287	152.64	Kazuo Ida, 659 9th Ave., Honolulu, 32, T. H.	11060	20.80
Eike Fujiwara, 1235 Matlock Ave., Honolulu 34, T. H.	9290	3.81	Gensuke Kurozawa, 2859 K. East Manoa Rd., Honolulu, T. H.	11093	65.08
Eiko Fujiwara, guardian of Frank Nobuo Fujiwara, 1235 Matlock Ave., Honolulu, T. H.	9291	3.24	Hidesuke Kuwabara, 3227 Diamond Head Rd., Honolulu, T. H.	11095	100.15
Mr. Kenji Fujii, 616 F-2 South Hotel St., Honolulu 53, T. H.	9292	264.99	Asako Maeda, Post Office Box 33, Robinson No. 1, Wahiawa, Oahu, T. H.	11096	558.00
Asayo Fukunaga, 3419 East Manoa Rd., Honolulu, T. H.	9294	39.61	Chieko Maeda, Post Office Box 33, Robinson No. 1, Wahiawa, Oahu, T. H.	11097	461.26
Michi Hamada, 290 Kamakela Lane, Honolulu, T. H.	9298	310.45	Yoshishige Maruyama, 1737-A Clark St., Honolulu, T. H.	11102	3,016.78
Kimue Higuchi, Pearl City, Oahu, T. H.	9300	309.35	Fusayo Murakami or Roku Murakami, 121 Christley Lane, Honolulu, T. H.	11104	77.98
Matsuo Higuchi, Pearl City, Oahu, T. H.	9301	247.22	Shizuko Mizokawa, nee Shizuko Nishikawa, 2811 Kooniani Way, Honolulu, 15 T. H.	11106	102.21
Yoshie Higuchi, Pearl City, Oahu, T. H.	9302	82.01	Shunichi Nakano, 3334 Duval St., Honolulu, T. H.	11108	201.53
Tsui Hirai or Misae Yasunaga, 2430 Rose St., Honolulu 45, T. H.	9303	113.19	Yone Nakatsuka, 3415 Aloha Ave., Honolulu 40, T. H.	11109	135.03
Masataro Horuchi or Toshi Horuchi, 4228A Wainale Ave., Honolulu, T. H.	9310	300.45	Haru Nakayama, a/k/a Haru Nakayue, 665 Lane Lane, Honolulu 13, T. H.	11110	10.50
Mieko Ishida, 1326 Nuuanu Ave., Honolulu 22, T. H.	9313	3,505.25	Mitsu Nishida, 2371 Booth Rd., Honolulu 23, T. H.	11112	252.70
Nobue Ishida, 1326 Nuuanu Ave., Honolulu 22, T. H.	9314	3,306.77	Phillip M. Nagatori, 1238-A Kalihii St., Honolulu, T. H.	11113	1.14
Shinpei Iwamoto, 804-A Kaloa St., Honolulu, T. H.	9315	817.12	Fudekichi Nakagawa, 3449 Kasu St., Honolulu, T. H.	11115	200.00
Kane Iwaoka, guardian of Ayako Iwaoka, now Mrs. Ayako Sumida, 712 Halekauwila St., Honolulu, T. H.	9316	96.27	Masajiro Nakamura or Chisa Nakamura, 562 "S" Road, Damon Tract, Honolulu 38, T. H.	11117	1,067.15
Hatsu Kagawa or Takashi Kagawa, P. O. Box 235, Ewa, Oahu, T. H.	9317	310.78	Kura Okazaki, 2288-A Liliha St., Honolulu, T. H.	11119	1,429.48
Takato Kagawa, 618 McNeil St., Honolulu 35, T. H.	9318	15.57	Matsuo Oki, 2525 A Pauoa Rd., Honolulu 23, T. H.	11120	79.41
Katsumi Kazama, Aiea, Oahu, T. H.	9321	53.51	Seikichi Omiya, 1124 16th Ave., Honolulu, T. H.	11122	13.51
Shio Kinoshita, 435-C Cooke St., Honolulu, T. H.	9322	160.63	Gonichi Okamoto or Yasuo Okamoto, a/k/a Yasuo Okamoto, P. O. Box 347, Waiapahu, Oahu, T. H.	11124	60.96
Hideo Konishi, Lualualei, Waianae, Oahu, T. H.	9324	5.00	Kiichi Saito, c/o Saito Store, Waiapahu, Oahu, T. H.	11126	138.47
Kenji Kuwahara, 1789 South King St., Honolulu, T. H.	9325	17.01	Asaye Shimada guardian of Stanley Hatsuichi Shimada, 1469 E. S. King St., Honolulu, T. H.	11129	14.07
Shigeo Maekawa, 1119 Desha Lane, Honolulu 18, T. H.	9326	400.70	Tokushin Shimajo, 1220 Peterson Lane, Honolulu, T. H.	11131	74.04
Akitaro Masaki or Masayo Masaki, 324-C Kamani St., Honolulu 13, T. H.	9327	428.94	Uto Shimajo, 1220 Peterson Lane, Honolulu, T. H.	11132	199.41
Sensuke Matsuda, trustee for Wellington Yoji Matsuda, 1950 N. King St., Honolulu, T. H.	9328	10.01	Kaya Shimomura, 1453-C Elm St., Honolulu 46, T. H.	11133	47.67
			Kenzo Domen, 948 Akepo Lane, Honolulu, T. H.	11134	333.03

* a/k/a Gensuke Kurosawa.

Claimant	Claim No.	Property
Kyujiro Fujita, 2044-B So. King St., Honolulu, T. H.	11135	\$625.52
Fuji Fujimoto, 989 South King St., Honolulu, T. H.	11137	10.50
M. Gibu, sole owner of Union Tailoring Co., 1328 Peleula Lane, Honolulu 43, T. H.	11138	485.35
Maka Gibu, 1328 Peleula Lane, Honolulu, T. H.	11139	665.82
Masako Yonashiro, nee Masako Tamanaha, 2137 South King St., Honolulu, T. H.	11140	50.25
Kyujiro Hatae, 3340 East Manoa Rd., Honolulu, T. H.	11142	275.77

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 24, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4781; Filed, May 27, 1948;
8:54 a. m.]

[Return Order 125]

SUPERFLEXIT

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith.¹

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant and Claim No., Notice of Intention to Return Published, and Property

Superflexit (procédes "Jacques Poberejsky") Bois Colombes (Seine), France, Claim No. 6009; April 10, 1948 (13 F. R. 1973); All interests and rights (including all accrued royalties and other monies payable or held with respect to said interests and rights and all damages for breach of the agreement hereinafter described, together with the right to sue therefor) created in Societe Anonyme Superflexit by virtue of an agreement dated February 3, 1940 (including all modifications thereof and supplements thereto, if any) by and between Societe Anonyme Superflexit and The B. F. Goodrich Company, relating to the exploitation of a certain process for the manufacture of self-sealing fuel tanks, and relating to patent application Serial Number 291,540, filed August 23, 1939, inventor Richard A. Crawford (now U. S. Letters Patent No. 2,392,902).

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 24, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4782; Filed, May 27, 1948;
8:54 a. m.]

¹ Filed as part of the original document.

[Return Order 126]

DR. ERNST WITTENBERG

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith.¹

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant and Claim No., Notice of Intention to Return Published, and Property

Dr. Ernst Wittenberg, Colorado Springs, Colo., Claim No. 5982, April 10, 1948 (13 F. R. 1973); \$5,154.41 in the Treasury of the United States.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on May 24, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4783; Filed, May 27, 1948;
8:54 a. m.]

SAMUEL ROBERT GODKIN

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property and Location

Samuel Robert Godkin, Bonley Bay Lodge, Trinity, Jersey Channel Islands, England, 4798; \$250.74 in the Treasury of the United States.

Executed at Washington, D. C., on May 24, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4785; Filed, May 27, 1948;
8:55 a. m.]

[Vesting Order 11239]

MATHILDE KOEHLER

In re: Estate of Mathilde Koehler, deceased. File No. D-28-4817; E. T. sec. 15752.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Richard Koehler, Ernest Koehler, Rudolph Koehler, Gerda Koehler Donner and Hildegard Schreiber, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1 hereof, and each of them, in and to the estate of Mathilde Koehler, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by Ralph Gunther, as Executor, acting under the judicial supervision of the Surrogate's Court of Richmond County, New York;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4748; Filed, May 26, 1948;
8:51 a. m.]

[Vesting Order 11225]

DOCTOR W. REMY

In re: Stock, bonds and bank account owned by Doctor W. Remy. F-28-22281-A-1, F-28-22281-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Doctor W. Remy, whose last known address is Teikoku Seimei Building, Marunouchi, I-Chome, Tokyo, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. One (1) certificate, numbered 0780, evidencing 50 shares of 550 lire par value capital stock of Societa Generale Edison di Elettricità (American shares), regis-

tered in the name of Hurley & Co., and presently in the custody of The National City Bank of New York, 55 Wall Street, New York 15, New York, and any and all rights thereunder and thereto,

b. Five (5) Republic of Chile External Loan Sinking Fund Gold 6s Bonds, of \$1,000 face value each, numbered M 1732/36, and presently in the custody of The National City Bank of New York, 55 Wall Street, New York 15, New York, together with any and all rights thereunder and thereto, and

c. That certain debt or other obligation owing to Doctor W. Remy, by The National City Bank of New York, 55 Wall Street, New York 15, New York, arising out of a clean credit deposit account, entitled Dr. W. Remy, maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Doctor W. Remy, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 7, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4747; Filed, May 26, 1948;
8:51 a. m.]

[Vesting Order 11241]

PAUL URBAN ET AL.

In re: Paul Urban and Alfred Urban vs. Clara Schmidt, et al. File D-28-3469; E. T. sec. 5444.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Ex-

ecutive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Max Schmidt, Paul Schmidt and Emil Schmidt, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the sum of \$149.40 was paid to the Attorney General of the United States by Thomas E. Keane, Master in Chancery, in the Matter of Paul Urban and Alfred Urban vs. Clara Schmidt, et al.;

3. That the said sum of \$149.40 was accepted by the Attorney General of the United States on October 2, 1947, pursuant to the Trading With the Enemy Act, as amended;

4. That the said sum of \$149.40 is presently in the possession of the Attorney General of the United States and was property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which was evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

5. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

This vesting order is issued nunc pro tunc to confirm the vesting of the said property by acceptance as aforesaid.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4750; Filed, May 26, 1948;
8:51 a. m.]

[Vesting Order 11240]

ERNST JACOB SILLER

In re: Trust under Will of Ernst Jacob Siller, deceased. File F-28-8076; E. T. 3380.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the person or persons, names unknown, having the management of the Gemeinde Haus, Hattenhoffen, % Goepingen, Wurttemberg, Germany, who, if individuals, there is reasonable cause to believe are residents of Germany and, if corporations, partnerships, associations or other organizations, there is reasonable cause to believe are organized under the laws of and maintain their principal places of business in Germany, are nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraph 1 hereof, in and to the trust created under the will of Ernst Jacob Siller, deceased, is property payable or deliverable to, or claimed by the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by the Central National Bank of Cleveland, 308 Euclid Avenue, Cleveland, Ohio, Successor Trustee, acting under the judicial supervision of the Probate Court of Cuyahoga County, Ohio;

and it is hereby determined:

4. That to the extent that the person or persons, names unknown, having the management of the Gemeinde Haus, Hattenhoffen, c/o Goepingen, Wurttemberg, Germany, are not within a designated enemy country, the national interest of the United States requires that such person or persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 17, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-4749; Filed, May 26, 1948;
8:51 a. m.]